

# **CARANA Corporation**

## *Evaluation Report The Russian Housing Sector Reform Project Phases I and II*

Prepared By

*CARANA Corporation  
Ken Kopstein  
Daniel Coleman  
Larisa Afanasieva  
Nicholas Chitov*

**For**  
*The Office of Program and Policy Development  
USAID Mission to Russia  
Task Order No. OUT-PCE-I-808-97-00014-00*

**November 1999**

4350 North Fairfax Drive, Suite 500, Arlington, VA, 22203 USA

## Table of Contents

<b>Executive Summary .....</b>	<b>i</b>
<b>Acronyms.....</b>	<b>vi</b>
<b>Introduction.....</b>	<b>1</b>
<b>I. Background.....</b>	<b>5</b>
A. Conditions Prior to HSRP Start Date in 1992.....	5
B. Conditions in Russia – 1992 through 1998.....	6
<b>II. Overall Project Development.....</b>	<b>10</b>
A. Project Design and Strategy.....	10
B. Project Organization.....	12
C. Training and Study Tours.....	12
D. Information Dissemination.....	13
E. Housing and Urban Management Sector Monitoring.....	13
F. Project Management.....	13
G. Activity Contribution to the USAID Strategic Objectives.....	14
<b>III. Evaluation of the Project’s Activities.....</b>	<b>15</b>
A. Evaluation of the Overall Project.....	15
B. General Evaluation Findings.....	16
C. Policy and Legislative Development.....	18
D. Residential Mortgage Finance.....	19
E. Construction Period Finance.....	23
F. Infrastructure Finance.....	24
G. Rent Reform and Social Safety Net (Housing Allowances).....	26
H. Condominium Creation.....	27
I. Competitively Bid Maintenance and Management Contracts for Housing.....	27
J. Institutionalization of Reform.....	29
K. Other Activities.....	31
<b>IV. Conclusions and Recommendations.....</b>	<b>32</b>
A. Conclusions.....	32
B. Lessons Learned.....	32
C. Future Directions.....	35
D. Recommendations.....	36

Annexes: See list on next page

**Annexes:**

- A. Scope of Work**
- B. List of Interviewees**
- C. Indicators of Project Impact**
- D. CARANA's Evaluation Team Members**
- E. Analysis of Russian Economic Conditions**
- F. Analysis of the Russian Housing Sector**
- G. List of Project Activity in Legislation, Presidential Decrees and Regulations**
- H. List of Project Seminars, Presentations and Conferences**
- I. List of Project Papers and Publications**
- J. List of Project Sponsored Study Tours**
- K. Institute for Urban Economics**
- L. Success Stories**

## EXECUTIVE SUMMARY

USAID designed and developed the Housing Sector Reform Project (HSRP) in Russia to support the provision of technical knowledge and experience to individuals and institutions working in the housing sector at national, regional and municipal levels. This six-year project consisted of two phases. HSRP I began in September 1992 and continued through September 1997, while HSRP II began in September 1995 and continued through September 1998. The Urban Institute (UI) was the prime contractor for the implementation of both phases. A local firm, the Institute for Urban Economics (IUE) was created under the project, and it functioned as a major sub-contractor, along with several US consulting firms. The total project cost was \$23,976,576.

The HSRP's strategy included four key principles:

- **Demonstration Projects** – HSRP would develop demonstration projects to show how housing reforms worked which, in turn, would facilitate adoption of reforms on a broader basis.
- **Demand-Driven Technical Assistance** – HSRP responded to requests from counterpart organizations, rather than attempt to impose a preconceived program, and accordingly worked with recipients who were committed to reforms.
- **Legal / Legislative Focus** – HSRP focused on initiating an appropriate legal / legislative framework that would provide a proper context to introduce reforms.
- **Increasing the Role of Russian Professionals** – The availability of highly trained and competent Russian professionals allowed HSRP to give them increasing responsibility for project implementation and to establish a core technical capability to continue reforms after termination of the project.

Over the life of the project, HSRP participated in, or sponsored, 287 training courses, seminars and conferences, which were attended by 28,600 Russians from 103 cities. It conducted 51 study tours in the U.S. for 442 Russians from 44 cities. Subjects covered all functional activities of the project. HSRP also produced a vast array of training materials, how-to manuals, studies, brochures and other informational materials; publishing 201 products on housing and urban development and distributing some 400,000 copies during the project. HSRP addressed the dearth of official data in the housing and urban development through independent surveys and analysis of Government raw data sources. Most importantly, HSRP evaluated the implementation of housing reforms to effect needed strategy and implementation changes.

The evaluation's Scope of Work called for the review of the eight major project activities.

**Policy and Legislative Development.** The development of appropriate policies and legislation was a cross-cutting activity that was essential to overall reform. Over the life of the project, the project's staff had input into 160 individual Russian Federation (RF) laws, Presidential Decrees and resolutions, and directly drafted 37 legislative acts. HSRP

also assisted many *oblasts* and municipalities, directly and through information dissemination, to draft local implementation legislation for the broad framework enacted at the RF level.

All officials interviewed for the evaluation emphasized the vital HSRP inputs in policy and legislative development. The Chairman of the State Committee on Construction stated that the project was the key technical resource for establishing a national framework for the housing and urban sectors. HSRP produced its most impressive results in housing and urban policy and legislative development.

**Residential Mortgage Finance.** Housing sector reforms provided an opportunity to introduce residential mortgage lending in Russia. HSRP drafted the essential legislative framework for mortgage lending. It also provided technical assistance to 39 banks to institutionalize international standards for mortgage underwriting and loan administration and assisted numerous other banks through information dissemination. HSRP produced a nine volume handbook for mortgage lending which has become the industry standard. By the end of HSRP, 47 banks were reported to have engaged in mortgage lending.

One of the most vital aspects of HSRP was establishment of the Agency for Housing Mortgage Lending (AHML), a secondary mortgage market facility designed to provide liquidity for mortgage lenders and to encourage expanded mortgage production. AHML also promotes sound mortgage lending practices by requiring rigorous standards to be followed by participating banks. HSRP introduced the Certified Mortgage Lender program to provide continuing education for bankers and other real estate professionals. IUE continues to present this program.

Despite these important contributions, HSRP had mixed results in promoting residential mortgage lending due to the weakness of banks, foreclosure problems, macroeconomic conditions and other factors. On the whole, however, the assistance provided by HSRP was invaluable in creating the conditions necessary to establish mortgage lending in the banking sector. The framework for mortgage lending has been established, due in large part to HSRP and this framework will, over time, prove to be the basis of a mortgage industry in Russia.

**Construction Period Finance.** HSRP II expanded the role of the project to include assistance in development of construction finance. Assistance focused on design of construction finance for housing developers and promotion of sound construction lending practices in banks. About 400 bankers and real estate professionals received some form of assistance in construction finance and 37 banks participated in construction lending under HSRP.

HSRP was instrumental in developing nationwide bank standards in underwriting and loan monitoring, including preparation of a detailed guide for bank construction lending. Lending techniques were disseminated through study tours, seminars, handbooks and publications, and many banks and developers adopted the techniques advanced by HSRP. HSRP had a considerable impact in introducing international standards for construction

lenders and housing developers in Russia and established the framework for expanding construction lending once macroeconomic conditions improve. IUE continues to provide technical assistance to banks.

**Infrastructure Finance.** HSRP II provided direct technical assistance to nine municipalities in infrastructure finance and other institutions providing finance to municipalities. Pilot projects, literature and seminar presentations were used to disseminate widely techniques for infrastructure finance. HSRP assisted municipalities, utilities and the RF in the development of economic concepts for energy and resource savings. HSRP assisted banks and municipal venders on how to provide long-term lending for municipal infrastructure projects. It initiated concepts for concessions and leasing to improve infrastructure and utility management. HSRP introduced tariff reform to reduce the burden on municipal budgets for housing operations. The project undertook to develop a methodology to establish credit ratings for municipalities and worked with municipalities on meeting transparency and financial management criteria. This activity led to IUE forming E-A Ratings, which has established itself as a creditable domestic rating agency. S&P, the U.S. credit rating agency, has selected E-A ratings as its local affiliate to undertake joint rating activities.

HSRP performed a significant technical assistance and educational role in promoting long-term municipal finance for infrastructure, enhancing the capabilities of *oblasts* and municipalities to plan for economically feasible projects and promoting transparency in municipal financial management. Through HSRP, banks and municipal venders learned how to better structure finance for municipalities, and municipalities learned how to approach banks and venders for financing. These technical assistance benefits will long survive the project. IUE continues to provide technical assistance to *oblasts* and municipalities.

**Rent Reform and Social Safety Net (Housing Allowances).** The RF enacted legislation to raise rents in State housing to achieve full cost recovery over a five-year period. The same legislation established a program of housing allowances to protect low-income families from the expected significant increases in housing rents. HSRP conceptualized and drafted the legislative framework for housing allowances. The establishment of a housing allowance program was one of the most impressive accomplishments of HSRP and now covers most qualified residents in State housing. Without housing allowances, the RF and municipalities would probably not have been able to put into place rent reforms. Housing allowances is the only housing reform that has achieved nationwide coverage and is the one reform that is essentially completed. Moreover, the housing allowances program is the only means-tested subsidy developed to date in the RF. Based on the success of the housing allowances program, USAID has now launched a new project to institutionalize a means-tested approach to social services delivery.

**Condominium Creation.** HSRP was successful in developing condominiums as a form of property rights and homeowner associations as a legal entity to manage and to maintain multifamily properties. HSRP drafted the legislation introducing the condominium form of ownership as well as homeowner associations to assume

responsibility for management and maintenance. HSRP also assisted in the preparation of model by-laws and other documents required to establish and to manage a condominium and/or homeowner association. As of 1998, over 3,000 condominium associations had been created, mostly in newly constructed buildings in 30 cities, thus demonstrating their validity and need. While the number of condominiums is miniscule in relation to the total number of residential buildings in Russia, the condominium concept has been well established.

**Competitively Bid Maintenance and Management Contracts for Housing.** HSRP initially concentrated its activities to introduce competitively bid maintenance contracts for large blocks of municipal-owned housing in Moscow. The project set up formal bid solicitation for maintenance contracts that were opened to municipal maintenance entities and the private sector. The process of competitive bids for maintenance of municipal and condominium housing has spread throughout Russia, with varying degrees of coverage and success. By 1998, 80% of Moscow residential units were being maintained under competitive bid, while nationwide, the figure was about 28%.

The use of competitively bid housing maintenance demonstrated ways to reduce costs and to improve the quality of maintenance services. By opening the municipal housing maintenance process to private companies, further competition was introduced into the sector. While the value of competitive bidding has been amply demonstrated under HSRP, particularly in Moscow, its continued existence is somewhat tenuous due to extreme budgetary constraints confronting local governments. Introducing competitive bidding to the management component of municipal housing has not been successful. Municipal bureaucracies have been adamant in their opposition to this effort.

**Institutionalization of Reform.** HSRP achieved many sustainable initiatives; a few key examples are outlined below.

- Policy and legislation – Under HSRP the basic legislative framework for housing and urban development reforms was enacted and institutionalized.
- Residential Mortgage Lending – HSRP introduced mortgage lending in Russia and established the framework for banks to adopt international standards for mortgage lending. AHML was established under HSRP and should become a significant secondary mortgage market facility to expand mortgage lending and promote sound mortgage lending practices.
- Construction Period Finance – HSRP created the framework for banks to adopt sound construction lending practices, and construction lending has become an accepted form of bank lending.
- Infrastructure Finance – HSRP demonstrated an analytic process for municipal infrastructure planning and finance. HSRP expanded interest in municipal credit ratings that promote enhanced municipal transparency and financial management. E-A Ratings has been institutionalized, and it will continue to provide municipal credit ratings.

- Rent Reform and Housing Allowances – Rent reform and housing allowances have been institutionalized throughout Russia. HSRP performed a key role in the conceptualization and drafting of the housing allowance program.
- Condominium Creation – Condominiums as a form of ownership and homeowner associations as a form of housing management have been institutionalized.
- Institute for Urban Economics – IUE was established by Russian professionals under the HSRP, and it continues to serve as the premier technical resource in housing and urban development reforms.

**Conclusions.** The major conclusion is that HSRP was an extraordinarily successful project, both in terms of satisfying project performance indicators as well as providing a framework for housing reforms in Russia. HSRP's exemplary performance as a project, however, does not infer that housing reforms are anywhere near completion. There are substantial policy, legislative and implementation actions remaining to be undertaken. HSRP was only a beginning, albeit, a highly effective beginning. It will require many more years to complete the transformation from a centralized, socialist system to a market-based economy. What is remarkable is the significant extent of reforms instituted given the adverse macroeconomic conditions during HSRP's implementation period. As proclaimed by Russian Federation, local government and private sector representatives interviewed during this evaluation, much of the success in housing reform can be attributed to the effectiveness of HSRP.

**Recommendations.** Recommendations include the following:

- Continue support for the Institute for Urban Economics.
- Strengthen domestic capital markets debt financing.
- Assist with strengthening bank resource mobilization
- Continue supporting the development of AHML
- Assistance in evaluating the feasibility of mortgage guarantee (default) insurance
- Assistance to local governments in economic development
- Strengthen municipal infrastructure planning, financing and tariff reform.
- Provide training for condominium boards-of-directors and assistance in forming national and local condominium representational NGOs.



## Acronyms And Definitions

AHML	Agency for Housing Mortgage Lending
CML	Russia's Certified Mortgage Lender program
DCA	Development Credit Authority
DM	German Mark
FNMA	Federal National Mortgage Association (also Fannie Mae)
GAO	The U.S. Government Accounting Office
GDP	Gross Domestic Product
Gosstroï	State Committee on Construction
HSRP	USAID/Russia's Housing Sector Reform Project
IFC	International Finance Corporation
IUE	Institute for Urban Economics
NGO	Non-Government Organization
NIS	New Independent States
Oblast	Political division of the Russian Federation (analogous to a U.S. state)
PADCO	Planning And Design Collaborative, Inc.
RF	The Russian Federation
RTS	Russian Trading System (Russia's stock market)
S&P	Standard and Poor's
TA	Technical Assistance
TUSRIF	The U.S.-Russia Investment Fund
UI	The Urban Institute
US	The United States of America
USAID	The United States Agency for International Development
USAID/Moscow	The USAID Mission to Russia
USAID/Washington	The headquarters of USAID
VAT	Value Added Tax

## INTRODUCTION

**Purpose of Evaluation:** The main purpose of this evaluation is to assess the impact, effectiveness and sustainability of the Housing Sector Reform Project (HSRP) in Russia, undertaken from September 1992 through September 1998. Within this framework, the evaluation is to assess project management under the prime contractor, Urban Institute; the project's strategy and implementation mechanisms; and the effectiveness of the Urban Institute to respond to rapidly changing conditions and needs of the housing sector during the project period. In addition, the evaluation will:

- Give recommendations on any additional activities necessary to reform the housing sector in Russia in light of the current economic crisis.
- Give recommendations to address future long-term needs of the housing and urban development sectors in Russia.
- Identify lessons learned and best practices to assist in determining long-term USAID strategy in the field.

The evaluation's Scope of Work called for the review of eight major project activities:

- Policy and Legislative Development
- Residential Mortgage Finance
- Construction Period Finance
- Infrastructure Finance
- Rent Reform and Social Safety Net (Housing Allowances)
- Condominium Creation
- Competitively Bid Maintenance and Management Contracts for Housing
- Institutionalization of Reform.

Other aspects of the project were commented on as time permitted and where they were appropriate.

**The Evaluation Team:** USAID contracted for the evaluation to be carried out by the CARANA Corporation. CARANA's evaluation team consisted of four members: two U.S. consultants, Ken Kopstein, serving as team leader, and Daniel Coleman, and two Russian consultants, Larisa Afanasieva and Nicholas Chitov. In addition Gerald Wein assisted the team with evaluation planning and review. Work commenced in September 1999 and was concluded in November 1999. Biographical sketches of the consultants are provided in Annex D.

**Methodology:** To carry out this evaluation, the team focused on strategies, achievements, prospects and constraints rather than procedural matters. The impact of externalities on HSRP and housing reforms, such as economic and political conditions, was essential to understand the overall impact and sustainability of HSRP, and are discussed in this report.

Sources of information for this evaluation were selected project documents, reports from other sources, and interviews. Project documentation, publications and other technical materials (e.g., legislation, handbooks, guides, forms and procedures) were so extensive under HSRP that only a sampling could be reviewed during the time permitted under the evaluation. Annex I is a list of all the reports and publications produced under the project. The evaluation team conducted over 90 interviews that began in Washington, D.C. and continued throughout the evaluation period. Interviews were conducted with officials of the Russian Federation and with regional and local government officials in Moscow, Saint Petersburg, Novgorod, Nizhni Novgorod and Ryazan. In addition, many private sector executives and professionals were interviewed in all the cities visited. Annex B provides a list of interviewees.

The evaluation team was in Russia for four weeks, from September 20 through October 16, 1999. As HSRP activities were so broad, the consultants divided into two teams: one focusing on residential mortgage finance, construction period finance and infrastructure finance and the other on rent reform, condominium creation and competitively bid maintenance. Both teams covered policy and legislative development and the institutionalization of reform activities.

Due to the diversity of activities, the evaluation team did not prepare formal hypotheses and questionnaires for interviews. Instead a common series of questions were posed to most interviewees. The evaluators sought to encourage a free exchange of information and project assessments from the interviewees. In this way, interviewees were not guided into responses, and instead they could identify what they thought were project accomplishments and shortcomings and the impact of reforms. A number of interviewees had no relationship to the project and were interviewed because of their ability to assess the over-all impacts of reforms and project strategies.

A number of the evaluation team's activities cut across the project's principal technical analysis. For example, to evaluate HSRP's impact, the evaluation team reviewed: a) the role of the contractor in initiating a framework for housing reform; b) sustainability of HSRP activities to continue reforms after project completion; and c) participant and non-participant assessment of progress made.

The evaluation team members faced a number of obstacles, not the least of which were the project's large size and the shifting targets as conditions changed in Russia. The contractor and USAID agreed upon a flexible approach to project activities and performance indicators to take advantage of changing conditions and opportunities to effect positive changes. This resulted in changes to project activities and indicators in each year of the project. In this manner, the project was a moving target that does not lend itself to easy evaluation.

HSRP had a total of 183 performance indicators over the six years of the project. As the HSRP contractor separately assessed achievement under many of these indicators in each of the cities it worked in, the total number of indicators was significantly higher. The evaluation team was able to test only a selected number of indicators and outputs. The

team is not aware of any criticisms about the accuracy of the contractor's reporting on indicators in the Phase I and II final reports and has assumed that they were essentially accurate.

Given the project's scope and size and the limited time and manpower available for this assessment, the evaluation team was forced to make difficult decisions about which documents to review, which Russian cities to visit, and who to interview. The team attempted to focus on the project's key technical programs and geographic areas. It reviewed the contractor's work plans, periodic progress reports, final reports, previous assessments and other documents which seemed to give the best overview of activities, obstacles faced and accomplishments. In the five cities visited, the team met with private banks, *Oblast* and municipal government agencies involved with various aspects of the project, and maintenance companies. Although the team would like to have had time for additional reading, visits and interviews, it does not believe that these would have appreciably changed the findings presented in this report.

The team members encountered resistance on the part of some governmental officials and private sector middle managers to be completely candid in responses, probably due to a legacy of guarding information from outsiders. For example, several financial institutions were unwilling to provide details about lending volume, terms and practices, and several government officials were reluctant to provide details on policies and trends outside their particular domain. However, with multiple interviews, a clearer picture of the situation did emerge. The evaluation team also benefited from extensive HSRP project reports and outside documents that provided questions to pose and data to analyze.

**Appreciation:** The evaluation team members wish to express their appreciation to the many people and institutions that assisted in the evaluation. We want to thank USAID/Moscow, USAID/Washington and former USAID staff; in particular, the team received excellent support, guidance and input from Denis Korepanov, Hugh Winn and Valentin Stobetsky in USAID/Moscow and input and comments by other staff, including the Mission Director, Carol Peasley. George Deikun (formerly in USAID/Moscow and now with USAID/Haiti), Sean Walsh (formerly with USAID/Washington) and Joel Heisey (USAID/Washington) provided insightful comments on the initial project design and implementation.

The Institute for Urban Economics, a Russian think tank foundation and major sub-contractor for HSRP, provided extensive staff time, analyses, data and materials for the team. Their input was of particular value, and they are deserving of special thanks.

Ray Struyk, HSRP chief-of-party for the Urban Institute, devoted a number of hours meeting with the team, responding to telephone inquiries and reviewing the team's draft report. Jeff Telgarsky, at the Urban Institute in Washington, provided significant information and materials.

The evaluation team is especially appreciative for the cooperation provided by officials of the Russian Federation Government and of the local governments of Moscow, Saint

Petersburg, Novgorod, Nizhni Novgorod and Ryazan. The team was aided, as well, by many Russian private sector executives and professionals.

Lastly, the team wishes to thank the staff in CARANA's offices in Moscow and Arlington, Virginia, which provided considerable logistical and administrative support.

**Organization of This Report:** This report is divided into four sections and extensive annexes.

- **Background** – HSRP's performance and the success of Russia's housing reforms are significantly linked to economic and political conditions in the nation. The evaluation team believes it is necessary for any reader of the evaluation to understand the economic and political context under which HSRP performed and the considerable impact of these externalities on the project. This section provides a brief assessment of conditions in Russia relating to the housing and urban development sectors, with additional analyses provided in Annexes E and F.
- **Overall Project Development** - This section provides an overview of HSRP design, strategy and activities. A summary of project goals (performance indicators), legislation, seminars, technical papers and publications and study tours are provided in Annexes G, H, I and J.
- **Activities' Description and Evaluation Findings** - This section provides the evaluation team's findings related to the over-all impact and sustainability of HSRP's activities and housing reforms in the eight major activity areas requested for evaluation. Where appropriate, comments are offered on other project activities.
- **Conclusions and Recommendations** - This section presents the evaluation team's overall conclusions, lessons learned from HSRP, future directions for program consideration and major recommendations.
- **Annexes** - As noted above, the annexes provide expanded information on the evaluation, background conditions in Russia and HSRP's performance indicators and outputs. A write-up of several project success stories is also an annex.

## I. BACKGROUND

This section contains comments on selected key factors in Russia relating to the housing and urban development sectors. It is intended to be a brief introduction to assist the reader in understanding conditions in Russia that affected housing reforms and HSRP.

This section does not evaluate HSRP; rather it provides background information to augment the evaluation, which follows beginning with Section II.

**A. Conditions Prior to the HSRP Start Date in 1992.** The Soviet socialist system was a highly centralized form of government, with little private sector ownership of housing or enterprises. Major policies for housing and the economy were determined by the State. There was little experience with free-market principles or how to implement them. Many citizens depended on State employment, and housing was substantially subsidized. In 1991, 96% of the GDP was produced by the State.

In the Soviet era, the government assumed responsibility for providing highly subsidized housing to its citizens, much as Western governments provide education. In 1990 the Central Government, local governments and State-owned enterprises owned 67% of the nation's housing stock, with only 33% of housing in private ownership. There was a far higher concentration of State housing ownership in Russia than even in other former Communist states in Eastern Europe, e.g., about 50% in Budapest (Hungary) and 20% in Sophia (Bulgaria). In urban areas, the concentration of State ownership was even more pronounced, constituting some 79% nationwide, with some cities, such as Moscow, having 90% State ownership. Between 1961 and 1989 single-family construction was not even permitted in cities over 100,000 population.

Russia's housing stock was relatively new in 1990, with 89% of all dwelling units built within the past 40 years. However, much of the housing stock was typified by poor construction quality, poor energy conservation characteristics (e.g., poor insulation and highly inefficient central heating plants) and substantial deferred maintenance. Funding for maintenance and capital improvements was considered to be government responsibilities, but were woefully inadequate. The Russian Federation estimated that Ru 78 billion would be required for needed maintenance in 1992; however, only Ru 22 billion was budgeted.

Housing investment consumed about 26% of the nation's investment and employed 13% of the labor force. Housing was heavily subsidized by the State, with rents frozen at 1928 levels. Rent charges were inadequate to cover utilities and maintenance, much less recover capital expenditures. The real cost of utilities was often unknown as State-owned utilities were constrained from charging cost recovery rates. Real costs were likely to have been high as utility operations were grossly inefficient, lacked maintenance and capital funding and were technologically outdated.

The State provided the financing for construction of infrastructure and new housing. As the State owned all land in urban areas, there was little concept of the value of land or

buildings. There was virtually no private sector housing market and no system of private mortgages.

With no markets to set prices and to allocate the supply of housing, the government decided which unit would go to each family. But, with State budgets unable to provide the necessary resources to build sufficient housing, waiting lists for housing grew larger and waiting periods longer. In 1986, eight million people were on housing waiting lists. This increased to nine million by 1988 and to 10 million people by 1992.

The Russian Federation realized that the existing system was unsustainable and began to initiate reforms in 1990. In 1991 the Russian Federation transferred ownership of part of the State housing stock and the responsibility for maintenance to municipalities. Although the central government committed itself to continue subsidies by transfers to municipalities, this commitment was not met. This policy thus amounted to an unfunded mandate for municipalities, most of which were not prepared to absorb the increases in costs. Maintenance of the existing housing stock continued to deteriorate.

The government also embarked on a concerted effort to privatize housing by selling units at low cost to residents. This policy proved unsuccessful; as of 1992 only about 8.2% of the housing stock had been transferred to private ownership. That same year, the State initiated new housing reforms that allowed tenants to acquire ownership of their units with only transaction costs being charged. This initially met with some success, but many Russians remained wary of even accepting ownership for fear that this would increase their housing costs.

Housing reforms continued to receive attention in 1992, and the Federation was clearly intent on reforming the sector. In response, USAID launched HSRP to provide needed technical assistance to effect change.

**B. Conditions in Russia – 1992 through 1998.** HSRP operated from 1992 to 1998. As HSRP contributed significantly to housing policy and reforms during this period, its contribution becomes part of the conditions during that period.

The State began a vigorous program of divesting ownership of enterprises and housing to private ownership. Many State enterprises were privatized or closed. Outside of Moscow and a few other cities, enterprise closings and reductions in subsidy transfers from central government resulted in a sharp decline in production and significant unemployment.

Macroeconomic conditions continued to erode for much of the decade. By 1994, real disposable incomes were 30% below 1991. GDP continued its decline for every year between 1992 and 1998, except for 1997. In 1999 GDP is expected to decline about 2%.

Inflation and interest rates were extremely high during this period. For example, in 1995 inflation was 131.4%, and Russian Federation short-term debt had interest rates of 170%. In 1996, even when inflation was trending downward, bank short-term ruble interest rates were in the 90% to 130% range to permit the government to fund its deficit, while US

dollar loans to Russia had interest rates of around 23%. These interest rates obviously made it difficult to introduce long-term mortgage lending. Before the 1997 Asian crisis, inflation and interest rates moderated considerably, e.g., inflation was estimated at 12%. Russian Federation short-term debt was issued at about 20% interest rates until the massive Government debt default in August 1998 which erased previous positive economic trends and re-instituted high inflation and interest rates.

Despite these difficult economic conditions, the government made substantial efforts to transform the housing sector. The Federation's commitment to housing reform is exemplified by the passage early in this period of a series of substantial legislation and Presidential Decrees that created the basic framework for privatization and for reductions in housing subsidies. By 1995, 49 significant laws and decrees were passed relating to housing and land issues, and another 17 were in various stages of development. By 1998, additional legislative acts and decrees were adopted. HSRP had major input into the Federation's legislative agenda. In spite of this impressive legislative record, some significant gaps remain, and continued work is necessary for developing legislation at the Federal, *Oblast* (similar to U.S. states) and municipal levels.

The implementation of housing sector reforms has been irregular, in part reflecting the volatile economic conditions. In 1992 privatization of the State's housing stock was a major policy, and considerable progress was achieved until 1995. Privatization then slowed significantly, and as of 1999 only 55% of State-owned housing stock had been privatized. Tenants not privatizing their units were fearful of potential increased costs associated with ownership, including the need to correct deferred maintenance and to pay operating costs and property taxes. Families' concern about taking ownership and maintenance responsibility was exacerbated by a decline in real disposable incomes, and by the fact that other non-housing costs of living were extraordinarily high, e.g., anecdotal reports suggest that a substantial proportion of the population spend up to 80% of household incomes on food.

Deteriorating economic conditions have also slowed other elements of reform. For example, rent reform has been curtailed due to economic conditions; private sector housing construction has slowed in many cities (outside major cities, such as Moscow); and privatization of municipal housing maintenance has not continued to expand.

Municipalities came under increasing budget pressures, and their newly acquired burden of housing maintenance and operating costs were creating a desperate financial situation. In 1994 the Federation initiated rent reform and mandated that full recovery of costs be achieved through rent increases over the next five years. "Costs" included operating expenditures (e.g., maintenance and utilities) and some contribution to capital replacement. A social safety net was provided for low-income households through the introduction of Housing Allowances, which made cost recovery more palatable. Municipalities began to accept the concept of rent reform, and rents began to rise from about 3% of costs in 1991 to about 35% of costs in 1998 nationwide. However, in 1996 the cost recovery schedule through rent increases was extended to 10 years, i.e. to year 2003 for operating costs and to 2008 for capital costs. Economic conditions were viewed



as too unfavorable to achieve the original schedule of full cost recovery. The increases in cost recovery that were realized did not greatly reduce the burden on municipal budgets, as inflation in housing costs exceeded rent increases. (As explained below, HSRP had major input into the housing allowance program.)

Without the financing formerly provided by the State, housing construction has decreased substantially. In the period from 1992 through 1995 new housing construction was about 57% of the 1987 levels. In 1996 housing construction declined further, reaching only 47% of 1987 levels. The free market has not been able to replace the previous State system of housing construction.

Municipalities were also fiscally incapable of implementing infrastructure improvements and meeting local housing development needs out of current revenues. Municipalities began to consider long-term borrowing from banks and issuing bonds to finance needed improvements. There was a significant lack of understanding on how to structure sound projects for long-term borrowing. Due to inflation, interest rates remained high, making the cost of domestic borrowing expensive. U.S. dollar or dollar-linked borrowings began to occur. However, with the significant devaluation of the ruble in 1998, many municipalities have become painfully aware of the risk of dollar-linked borrowings. One municipality is currently in technical default on its U.S. dollar-denominated bonds.

In their efforts to generate revenues, municipalities remained involved in entrepreneurial enterprises, including housing and commercial property development. They continue to own enterprises of varying nature, including interests in local commercial banks, viewing this commercial activity as a means to improve local government financial resources and to meet development targets, e.g., for expanding housing supply. They are in competition, or in joint venture, with the private sector on a significant proportion of local real estate development. Municipalities have been slow in providing land for private development; municipalities lease most land on a long-term basis rather than conveying ownership to private developers.

Mortgage finance began to emerge in the mid-1990s but has remained a very small industry. Although no official statistics are kept on mortgage lending, a sample survey of banks conducted under HSRP in early 1997 showed that 17 banks were originating housing loans. Most loans, however, were under three years in term. Of these 17 banks, only five were providing housing loans more than five years, and their combined total long-term mortgage production in 1996 was only 1,066 mortgages. HSRP staff indicated that there were 47 banks providing some form of mortgage finance in 1997. This generated optimism that the mortgage industry would expand as inflation and interest rates moderated in 1996/97. Inflation, however, has increased again and has caused domestic interest rates to remain high and unaffordable to the great majority of the population. Inflation is projected at 50% for 1999. Mortgage programs have been limited largely to the most affluent and are generally dollar-linked.

The failure of mortgage lending to “take off” has resulted from a variety of factors. Banks still perceive risks associated with housing mortgages in spite of legislative advances to

protect lenders. There are no mortgage (default) insurance programs, and because of perceived imperfections in the legal security of mortgage loans, banks have been very conservative in initiating mortgage programs. Banks also have liquidity and mismatching of maturity problems that make them hesitant to expand mortgage lending. Another issue for banks is the high reserve requirements associated with mortgage loans. A secondary mortgage market facility was created by legislation in 1993 to provide liquidity for banks to undertake mortgage lending. Although implemented in 1996, the facility has not yet become operational. (HSRP had major input into the creation of the secondary mortgage market facility.) Municipalities have begun to initiate mortgage programs at subsidized interest rates because of the lack of affordable commercial mortgages.

The equity in privatized housing is beginning to be used by higher income families to “trade up” in housing and as collateral for business loans. There appears to be significant potential mortgage demand, particularly for trade-up housing and unit renovations. High interest rates, however, impede further expansion of mortgage lending, particularly for the middle-class.

Equity (stock) and debt markets emerged during the 1990s. From 1995 through 1997, the stock market (Russian Trading System or RTS) was the best performing equity market in the world, having reached a market capitalization of about \$80 billion. Foreign investment bankers appeared to structure U.S. dollar-linked debt, and mutual funds emerged that acquired securities in this growing debt market. However, traditional capital market purchasers of long-term debt securities, i.e., insurance companies and pension funds, are only beginning to emerge in the private sector. Most of the large insurance companies and pension funds are government-linked and respond to central government investment directives. The great majority of domestic debt issues were Russian Federation bonds. The Russian Federation began issuing substantial amounts of ruble bonds, and banks were especially prone to purchase these debt issues. In fact, the availability of sovereign ruble debt absorbed a substantial amount of commercial bank investments, leaving little liquidity for other forms of commercial lending, such as construction loans and housing mortgages. The Federation was financing much of its budgetary shortfalls and investments through very expensive debt, rather than through tax revenues.

By June 1998 the Federation had amassed the equivalent of \$70 billion in short-term domestic debt. Economic conditions and high interest rates made this level of debt unsupportable. In August 1998 the Federation defaulted on its domestic debt, creating a significant banking crisis as so many banks were heavily invested in Federation debt. Six of the 10 largest banks failed, as well as many other banks. The stock market had begun declining in late 1997 due to world economic conditions and finally collapsed in August 1998.

The result of these convulsions in the financial sector has left a diminished private banking sector with very little capitalization. The capital of the 30 largest banks (which comprises 70% of the banking sector) declined from \$11 billion in early 1998 to \$2.9 billion in 1999. In addition, the former State banks, including the largest, Sberbank (with

implied Government deposit guarantees) have now accumulated over 80% of the nation's retail savings. Confidence in the private banking sector is low which inhibits retail deposits on which to base expanded lending. One positive result of the August 1998 crisis is that banks now want to diversify their loan portfolios. This could open the door to increased construction and mortgage lending, especially with the new Mortgage Law's passage in 1998.

Complex and onerous Russian tax laws have sometimes inhibited the development of housing finance and other reforms. For example the complex tax laws have given rise to significant income tax avoidance, thus creating an obstacle to mortgage underwriting linked to verifiable incomes. The assessment of the Value Added Tax (VAT) on private sector maintenance contracts for municipal housing stock has most likely inhibited a more extensive adoption of this approach.

Unfavorable economic conditions continue to constrain the housing sector. These unfavorable economic conditions are also contributing to an uncertain political environment, both of which have, temporarily, reduced the momentum of housing reform. The State *Duma* is becoming more politicized, and housing legislation is being somewhat affected. Municipal *Dumas* are, similarly, becoming affected, as a conservative backlash against reforms is beginning to emerge in some cities. Clearly, the economic situation has affected such housing reforms as rent reform, where cost recovery gains have largely been frozen at present levels, even in the most reform-minded municipalities. It is likely, however, that financially strapped municipalities will re-instate rent reforms as local economies improve. However, the framework for housing reform has been well established and, once macro and local economic conditions improve, there is every reason to believe that housing reform will again gain momentum.

## II. OVERALL PROJECT DEVELOPMENT

**A. Project Design and Strategy.** The Housing Sector Reform Project I was developed in the New Independent States (NIS) to support the provision of technical knowledge and experience to individuals and institutions working in the housing sector at national, regional and municipal levels. This five-year project began in 1992, and with respect to the Russian component, it initially focused on the provision of technical assistance to the Russian Federation (RF) and the City of Moscow. In 1993, the project was expanded to include other Russian cities located east of the Ural Mountains. The Housing Sector Reform Project II, which began in 1995, was a continuation of HSRP I. It was a three-year project, with its first two years overlapping with the last two years of HSRP I, resulting in a combined six year life of project for both. HSRP II ended in September 1998. The prime contractor for both projects was the Urban Institute of Washington, DC.

USAID obligated funding of \$15,597,725 for Phase I and \$8,378,851 for Phase II, for a total of \$23,976,576. In addition, there were four delivery orders under a separate but related indefinite quantity contract. As this evaluation was not a financial audit, no assessment of expenditures was undertaken.

Reflecting the emergency nature of the early USAID projects in Russia and the extremely short time period to initiate project implementation, including HSRP I, USAID moved quickly to design the project. USAID staff, along with Urban Institute consultants working under a worldwide USAID contract, undertook an exploratory trip to the Russian Federation in February and March of 1992 to assess the housing situation and determine the technical assistance needs. During this trip USAID signed Memoranda of Understanding with the Russian Federation and three Russian cities, including Moscow, which stipulated the types of housing technical assistance to be provided. These memoranda, along with the mission's trip report, served as the basis for authorizing the project as well as preparation of the HSRP I Request for Proposals and subsequent contract award to the UI in September 1992. A separate contract for work in two other Russian cities, Ekaterinburg and Novosibirsk, (and later Barnaul and Omsk) was awarded to another contractor, PADCO, and is not covered under this evaluation.

Prior to undertaking this initial trip to Russia, USAID had developed a menu of some 12 housing areas in which technical assistance could be offered to the RF and the three cities. From this menu, representatives of these Russian government bodies, in discussion with USAID and its UI consultants, selected two to three areas in which the technical assistance would be focused. With USAID's concurrence, the principal areas selected for initial assistance on the national level were the development of the legal basis for housing reform and the development of housing allowances. In Moscow it was agreed that the primary focus of attention would be the reform of housing management and maintenance processes, and assistance in implementing the housing allowance program. A separate memo was signed with one of Moscow's districts to implement the reforms in housing maintenance. Finally, USAID agreed that assistance would be provided to a large commercial bank to develop a mortgage loan program. Over time other elements of the housing reform project were developed.

The project's strategy consisted of several crucial elements.

- **Demonstration Projects** - The design and implementation of demonstration projects would prove that a particular housing reform could be developed in the Russian environment. For example, after competitive bidding for housing maintenance was successfully implemented in Zhulebino District of Moscow, it was easier to convince skeptics that this particular reform could work elsewhere in Russia.
- **Demand-Driven Technical Assistance** - The project was demand driven, meaning that it would respond to requests from cities and agencies for assistance. This strategy encouraged the contractor to focus its efforts on agencies and cities where the environment was conducive to housing reform rather than pushing assistance to institutions that were indifferent or even hostile.
- **Legal / Legislative Focus** - The strategy called for a focus on the legal aspects of reform, that is, putting the appropriate legislative reforms in place that would permit the implementation of the housing reforms.
- **Increasing Role of Russian Professionals** - While not an initial part of the project's strategy, availability of highly trained and capable Russian professionals quickly

translated into a concerted effort to increase their involvement in project activities. In this way the project would compensate for a lack of in-depth U. S. experience in and knowledge of Russia, while at the same time, help ensure the sustainability of the housing reforms.

**B. Project Organization.** As mentioned, the prime contractor was the Urban Institute. Under HSRP I the principal U.S.-based sub-contractors were Quadel Corporation, FNMA (Fannie Mae) and Abt Associates and, in Phase II, PADCO and Research Triangle Institute were added. Several Russian-based institutes or agencies were contracted from time to time to undertake discrete tasks such as surveys. Subcontractor work was performed under a series of task orders.

UI fielded several long-term expatriate manager/advisors during the life of the project. However, the Project Chief-of-Party, who had also headed up the project design activities, remained in this position for the life of the project. Usually only one other long-term expatriate advisor was working in Russia at any given time. However, at the start of Phase II, three expatriate advisors were posted long-term to Russia to help implement critical project elements. Their roles varied depending on their areas of expertise and changing project needs. Short-term expatriate consultants were brought in on an as-needed basis, and some of them were involved in the project throughout its entire six-year life.

From the very beginning UI employed the services of Russian experts, initially as consultants, but later as full-time UI employees. As the project proceeded the use of expatriate short-term consultants declined, while the use of short- and long-term Russian consultants increased, as they gained experience and skills. At its peak UI employed some 70 Russians working on a full-time basis. In 1995 the Institute for Urban Economics (IUE) was formed by these Russian staff members. UI subcontracted with IUE to help carry out the project.

The project was sub-divided into eight project activities.. Many of the key activities, such as mortgage lending and housing maintenance, were implemented in both phases. Some activities, such as housing allowances, were de-emphasized after the completion of HSRP I in 1997, while other activities, such construction period and infrastructure finance, were incorporated in HSRP in 1995. As the project evolved, teams of U.S. and Russian experts were put together to focus on carrying out each activity. The Russians helped their American colleagues to work effectively in this new environment, and the Americans helped the Russians learn new skills and techniques.

**C. Training and Study Tours.** Because of Russia's highly educated labor force, the project invested heavily in short-term training, study tours and information dissemination to introduce new ideas and procedures. During the six-year life of project, 28,600 Russians from 103 cities attended 473 different training courses, seminars, conferences and presentations in Russia in a wide variety of housing reform subjects. In addition some 442 Russians from 44 cities participated in 51 separate study tours or educational

courses in the U.S. The subjects covered all functional activities carried out under this project.

**D. Information Dissemination.** The project produced a vast array of training materials, how-to manuals, studies, and such material to support the housing reform efforts in the Russia. Some 400,000 copies of project publications were disseminated throughout Russia. Much of this material resulted from reports on the various demonstration or pilot projects that were an integral part of the project's implementation strategy. The project used a variety of methods to disseminate information, from inexpensively produced brochures to public service announcements on TV and radio to participation in seminars, presentations and formal training sessions. IUE established an internet Home Page that provides continuous updates on information resources. Finally, UI published some 201 reports and studies on housing reform topics, many of which were in Russian. Information dissemination continues through IUE.

**E. Housing and Urban Development Sector Monitoring.** The project attempted to address the dearth of accurate and comprehensive data on Russia's housing sector by keeping an up-to-date record of relevant laws passed and regulations issued. It also tracked developments in the Moscow housing sector through a series of household surveys that provided information on such issues as unit values, household mobility, and income to housing expenditure ratios. Most importantly, the project evaluated the implementation of the project-assisted housing reforms, so as to make adjustments and changes in the overall housing reform program, as needed.

**F. Project Management.** In addition to the USAID/UI contract reporting requirements and scope of work, the project was managed through the use of periodic work plans. The HSRP I contract stipulated that a six-month work plan would be prepared within 30 days after contract signing which would set out the types and levels of work to be undertaken during that period. Thereafter, one-year work plans governed the contractor's work activities under both contracts. In all, one six-month work plan was submitted in October 1992, while five one-year work plans were submitted beginning in April 1993.

**1) USAID Management.** Given the limited USAID management staff in Moscow in the early project years, the project was managed from USAID/Washington. By September 1993 a USAID housing advisor was posted in Moscow to help manage the project. Eventually a mission housing office was established, and by 1995 USAID project technical management and oversight was transferred to the field where it remained for the rest of the project.

To facilitate technical management, USAID required the contractor to prepare weekly progress reports throughout the project's life. These reports were prepared in the field and, at the end of each quarter, UI's U.S. based support staff consolidated them into a quarterly report. On completion of each of the two contracts, a final report was prepared. USAID recognized the need for flexibility in project implementation and worked with UI to adjust the performance indicators, assistance recipients and activities over the course

of the project. In this manner, the project was able to respond to rapidly changing conditions in Russia and accommodate demand-driven technical assistance.

**2) Contract Management.** UI provided a full-time expatriate chief-of-party and a series of long-term resident advisors (one of whom became deputy chief-of-party in 1995) posted in Moscow who were supported by a senior staff person and research associates at UI's headquarters in Washington, plus administrative staff in both cities. The chief-of-party remained in-place for the entire six-year life of project, which provided continuity in project management. The chief-of-party in Moscow was also a full-time UI Senior Fellow, and accordingly was given full responsibility for managing the project. UI utilized Task Orders to carry out discreet tasks performed by its subcontractors, which allowed flexibility in focusing on demand-driven technical assistance.

**3). Linkages with Other USAID and Donor Projects.** HSRP was the single largest technical assistance activity, by far, in the housing sector. Other bilateral donors had only small projects in the housing sector, and they were not linked to HSRP activities. There was a link between HSRP I and USAID's housing project being carried out in Ekaterinburg, Novosibirsk, Barnaul and Omsk by PADCO, and later the project incorporated all HSRP projects east of the Urals. However, exchange of information and general contact was limited initially. In the later stages of HSRP I, more coordination between the two contractors occurred, particularly in the mortgage lending activity. PADCO then became a sub-contractor under UI in HSRP II, when this phase became responsible for all HSRP assistance activities in the RF.

The most important linkage between HSRP and other donors relates to two World Bank projects. UI provided technical assistance to the Bank in the implementation of its \$400 million loan for housing construction finance, and also for its \$300 million loan for enterprise housing divestiture.

**G. Activity Contribution to the USAID Strategic Objectives.** The project contributed to USAID's strategic objectives in the following manner:

**1) Strategic Objective 1.3. Accelerated Development and Growth of Private Enterprises**

- Mortgage and construction lending via private banks initiated and the concept of mortgage lending institutionalized
- Introduced international standards for mortgage and construction lending
- Established the Agency for Housing Mortgage Lending to provide a secondary mortgage market to support expanded bank mortgage lending
- Private sector maintenance companies developed
- Creation of the Institute for Urban Economics to further assist the private sector in developing international standards
- Private real estate developers assisted in obtaining bank financing

**2) Strategic Objective 2.3. More Effective, Responsive and Accountable Local Government in Selected Cities.**

- Capacity developed to administer housing allowances
- Condominiums and homeowner associations created to provide better management and services.
- Competitive bids for maintenance and management functions in municipal housing introduced
- Increased *oblast* and municipality capacity to plan and structure long-term finance for infrastructure projects

**3) Strategic Objective 3.2. Improved Effectiveness of Selected Social Benefits and Services**

- Introduced Housing Allowances as a needs-based, targeted subsidy, to replace general housing subsidies
  - The Housing Allowance Program was based on need, not on a privilege

### **III. EVALUATION of the PROJECT'S ACTIVITIES**

**A. Evaluation of the Overall Project.** A United States General Accounting Office (GAO) Report to Congress on foreign assistance, "Assessment of Selected USAID Projects in Russia," August 1995, stated that "The Institute's [Urban Institute] critical assistance helped transform Russian priorities into workable legislation and pilot projects. Although Russians are responsible for the pace of reforms, the Institute has helped effect systemic changes in Russia's housing sector." USAID's own internal Contractor Performance Evaluation gave HSRP a perfect 25 score out of a possible 25 rating for impact, effective delivery of services and general performance. The evaluation team concurs with these very favorable GAO and USAID assessments. The impact of HSRP continued to expand beyond 1995 and had immense success in assuring a framework is in place to adopt free market reforms in the housing sector.

In preparing this evaluation, the team distinguishes the two-phased Housing Sector Reform Project from the overall housing reform program being undertaken in Russia. HSRP had specific goals and deliverables to accomplish in the housing sector and, as will be detailed below, was very successful in achieving those goals. In contrast, Russia's housing reform program is still in its infancy, and to achieve success in reforming this sector, contingent on how reform is defined, will require considerable additional resources and many years of work ahead.

While it is not common practice to single an individual in a project evaluation, the team believes that special recognition is due to the HSRP Chief of Party, Ray Struyk. His extraordinary contribution to the conceptualization and conduct of the project and his exemplary relationships built up with Russian counterparts at all levels of governments



enabled the project to be ever more successful. The former Deputy Mayor of Novgorod (now Deputy Chairman of *Gosstroy*) stated that Mr. Struyk, was individually vital to the success of the project.

## **B. General Evaluation Findings**

*Performance Indicators* - HSRP can be evaluated in several ways. One way is to cross-check the performance indicators or goals (often used interchangeably under this project) contained in the various USAID/UI documentation, i.e., the contract, work plans, delivery orders, and reports, to determine if and to what degree they were achieved. Based on this criterion UI indicates in its two final reports that 83 percent of the 53 performance indicators were met in HSRP I, while 85 percent of the 130 performance indicators were met in HSRP II. While the project evaluation team was unable to verify whether all were achieved, a review of selected indicators confirms that the contractor essentially met the performance goal percentages as stated in the final reports. Given the difficult conditions in which USAID and its contractor were working, this is an enormous accomplishment.

HSRP was exceedingly productive. In addition to the impressive numbers of publications, study tours, seminars and conferences identified above, HSRP outputs included the following:

- Legislation – HSRP had input into the preparation of 160 Federation laws, Presidential Decrees and resolutions (analogous to regulations), directly drafting 37 of these legislative initiatives. In addition, HSRP assisted many oblasts and municipalities in drafting local implementing legislation for the broad framework enacted at the Federation level.
- Assistance to Municipalities – HSRP provided direct technical assistance to over 40 municipalities and indirectly assisted countless additional municipalities with its information dissemination.
- Assistance to banks – HSRP provided technical assistance directly to over 30 banks and, through the Certified Mortgage Lender course, handbooks and other information dissemination instilled improved lending practices in many other banks.

*Progress in Reforms* - Another way to evaluate the project is to review the project's accomplishments in reforming Russia's housing markets. This type of evaluation is more subjective in that the RF has set few goals in the housing sector and there are many factors other than HSRP that contribute to or impede their achievement. One goal was to recover 100 percent of all housing operating costs from the occupants by 2000; this target was subsequently revised to 2003 for 100 percent of maintenance and utility costs and 2008 for capital repairs. Clearly, the progress on cost recovery would not have occurred without HSRP. Further, virtually all observers agree that without the input of USAID through HSRP, little process in reforming housing markets would have been made. The progress of other important donors like the World Bank would also have been further delayed had not the USAID technical assistance team been present in Russia.

*Views of Assistance Recipients* - The project can be evaluated from the viewpoint of the recipients of the technical assistance efforts. In interviews with the people who had been on the receiving end of HSRP's technical assistance, all expressed the view that it had been practical, useful and critical to accomplishing housing reform. Some even expressed their gratitude in glowing terms as the following quote's attest.

"As Peter the Great opened the doors of Russia to Europe when he founded St. Petersburg, so did the Urban Institute open the doors to a whole new way of maintaining and preserving housing. At last, it was shown that buildings could be kept clean and people could live in a safe environment." (St. Petersburg official)

"UI never insisted, never imposed. It was a pleasure to work with them" (St. Petersburg official)

"The mountain [housing sector policies and practices] seemed to be immovable, but it was moved." (Chairman of Gosstroï, Mr. Shamuzaïarov, in referring to the development and implementation of Russia's housing reform program)

"Our relationship with them [the Urban Institute and the Institute of Urban Economics] was more than a working relationship because while working together we became a kind of family. We learned from each other, as a community of people do." (Deputy Chairman of *Gosstroï*, Mr. Kruglic, referring to his work with the project in Novgorod)

"UI drafted the first version of a document, then the American and Russian consultants and later IUE took the draft and put it into the Russian context. All their publications are very effective and of first rate quality; they have been adapted to the Russian environment." (President of the Guild of Russian Realtors)

*Procurement Procedures* - The evaluation team's review suggests that USAID's use of seldom-used procurement procedures contributed to the project's success. For all practical purposes USAID used a design/implement concept to carry out the project, due to the previously mentioned emergency nature of the aid program in the NIS. Since UI had carried out the design stage of the project in the early part of 1992, USAID rules would normally have excluded UI from bidding on the implementation phase. Nevertheless USAID waived this requirement, and as a result UI submitted a bid for HSRP I and won the contract in the fall of 1992. UI then bid on HSRP II and was awarded that contract in 1995. This meant that UI was the prime contractor on both project design and implementation, and was involved in the project from the beginning to its completion. This arrangement meant not only that UI had to implement what it had designed, but also that the transition from the design to the implementation stage was seamless. And since UI won HSRP II, there was no change in contractors in the middle of the implementation stage. The timely implementation of the project as well as its strong management were due in part to use of this design and implementation concept.

*Contractor Experience* - The almost total lack of USAID and contractor experience in Russia in 1992 coupled with a lack of information on the housing sector was compensated by several factors. One was the earlier programs in the Eastern Europe where some relevant experience had been gained on how to work in economies transforming housing from a centrally managed sector to a market based one. UI had been one of the principal USAID contractors working in Eastern Europe, and as such it was one of the most qualified firms to work on similar issues in Russia. Secondly, USAID and UI compensated for their lack of knowledge on Russia's housing environment by identifying a few key local experts to assist in project design and implementation.

*Flexibility in Project Implementation* - USAID recognized early on that the political and economic environment was constantly changing, not only on the national level but also on the regional and local levels. As a result, USAID adopted a flexible approach to project implementation. For example when elections brought to power a reform minded governor in a particular *oblast* who wanted to improve the housing sector, the project was able to launch immediately an activity or activities that would respond to the need there. When the reverse occurred, the project was able to decrease on-going activities in that *oblast* until the situation changed once again for the better. The same was true regarding economic events. In short, the contractor was able to deliver its scarce resources on targets of opportunity, instead of being locked into an environment where the prospects of any achievements were limited or nil.

*Legislative Framework as Priority* - The project's efforts to enact appropriate laws to address the housing reform issues coupled with the use of demonstration projects have been shown, in retrospect, to have been an effective strategy to move the sector toward a market structure. Armed with a legal framework and demonstration projects in Russia to take to a number of *oblasts* and local governments, the project was implemented in a timely fashion and with a substantial degree of success.

**C. Policy and Legislative Development.** The development of appropriate policies and legislation applied to all the functional activities under the housing reform project. This particular activity was, in effect, a cross-cutting activity that was essential to overall program implementation. Over the life of the project, its staff had input into over 160 federal laws, executive orders and regulations, were primarily responsible for directly drafting 37 legislative initiatives, and assisted numerous *oblasts* and municipalities in drafting local implementing legislation and regulations. The most critical piece of early legislation developed with HSRP assistance was the Law of Fundamentals of Federal Housing Policy (December 1992) which allowed the implementation of those housing reform activities being advocated by USAID. Specific pieces of legislation that were critical to each of the specific functional project activities will be mentioned below. Annex G is a list of all executive orders and legislative acts directly drafted under HSRP.

HSRP produced its most impressive results in housing and urban policy and legislative activities. The project can be credited with establishing the legal framework for housing and urban development reforms and for instituting a free market system. All officials

interviewed emphasized the vital inputs of HSRP in policy and legislative development. According to the Chairman of the State Committee for Construction, who has been involved in HSRP since its inception, HSRP was the key technical resource for establishing a national framework for the housing and urban sectors. He stated that the HSRP team contributed significantly to the theoretical base and in the drafting 160 legislative acts, decrees and regulations promulgated in these sectors. The evaluation team heard confirmation of the Chairman's extremely complimentary remarks from other numerous officials at the Federation and local government levels. The former Deputy Mayor of Novgorod (and now Deputy Chairman of the Committee for Construction) was similarly enthusiastic about HSRP's essential role in developing municipal policies and legislation to adopt housing reforms. He told of the extremely close working relationship between the city and the HSRP team, summarizing the relationship as one where you could tell the consultants everything and receive sound advice.

Many key policy and legislative developments can trace their origins to HSRP's assistance, such as the 1998 passage of the extremely important Law on Mortgages and the Law on Registration of Real Estate Rights, both of which have been in development since 1993. The Housing Allowances program, conceived and drafted by the HSRP team, and which provided a social safety net for lower income households, was a major impetus for the acceptance of rent reform.

Even with the extraordinary success of HSRP in providing a legal framework for a free-market system in the housing and urban development sectors, much work remains to refine the process, to fill in legal gaps, and to help officials around the country with the implementation of new modes of operation. In the Institute of Urban Economics, HSRP leaves behind a significant legal capacity to assist governments at all levels. However, the capacity of IUE to continue to provide this legislative assistance will be significantly linked to its future financial resources. (This topic is discussed in detail, below, under Institutionalization of Reform.)

Unfavorable economic conditions have embroiled some legislative initiatives in politics and have contributed to delays in enactment of some desirable legislation and regulations. Given these unfavorable economic and political conditions, the accomplishments of HSRP makes the impact of the project much more impressive.

**D. Residential Mortgage Finance.** The transformation of the housing sector precipitated the development of a long-term mortgage lending program. Key to development of this primary mortgage market was the enactment of the Law on Collateral in 1992, and in 1998 the Law on Mortgages. Initially, project assistance was provided only to the Mosbusinessbank in all phases of mortgage lending operations. Later this assistance was extended to other banks throughout Russia. By the end of the project, some 30 banks had been assisted under HSRP and 47 banks in Russia were making mortgage loans. The "Mortgage Handbook", a nine volume set of mortgage lending information and materials, has become the industry's bible.

HSRP contributed significantly to the introduction of mortgage lending in Russia, helping to initiate a vital legal framework for mortgage lending and to introduce international standards and procedures for mortgage lending. Another vital HSRP contribution to mortgage lending was to create a liquidity mechanism for bank mortgage lending through a secondary mortgage market facility, the Russian Agency for Housing Mortgage Lending (AHML). This activity was initiated under HSRP and received substantial technical assistance under the project in its formation and organizational development. AHML is discussed in more detail below.

HSRP attempted to deal with several of the mortgage lending issues, such as liquidity and mis-matched maturities through a secondary mortgage market facility. However the secondary mortgage market facility created under HSRP has not yet become fully operational to resolve these issues.

The U.S. Russia Investment Fund (TUSRIF), a U.S. Government-capitalized investment fund, has recently initiated an on-lending program to banks to make mortgage loans. To date, three banks are participating and a \$5 million program is being initiated in Saint Petersburg. TUSRIF is proposing to commit up to \$100 million to spur the mortgage industry. Although TUSRIF is not affiliated with HSRP, a former HSRP long-term resident advisor is now a Senior Vice-President with TUSRIF, and the lessons learned under HSRP's mortgage activity are readily apparent at TUSRIF.

Early on, HSRP made a strategic decision to develop the mortgage lending program through the banking sector. It was decided not to work with municipalities on mortgage lending because many municipal mortgage programs are subsidized, and direct mortgage lending by municipalities is considered an inappropriate municipal activity. In 1992 the project looked to the private sector solution as the appropriate vehicle to establish a mortgage market and to remove government from any direct lending and subsidies in the housing sector. However, with banks unable to meet the demand for ruble-based mortgage loans at affordable interest rates, municipalities have begun to initiate mortgage programs. Opportunities to work with municipalities on involving banks in municipal mortgage programs have now been recognized, and AHML and IUE are now working with municipalities on structuring municipal mortgage guarantee and purchase grant programs. HSRP had developed close working relationships with municipalities, and this may spur further bank mortgage lending under municipal programs as a part of the current IUE cooperative agreement. However, IUE's USAID funding extends only until next year and, if not extended, there may not be a continuing technical resource in Russia to promote constructive local government / bank mortgage programs.

HSRP gave considerable attention to the creation of a secondary mortgage market facility to provide liquidity for banks undertaking mortgage lending. AHML was created by a Presidential Decree in 1993 and activated by two Government resolutions in 1996 to serve as the secondary mortgage market entity. HSRP was one of the main proponents for inclusion of this secondary market facility in the legislation.

The Russian Federation has committed to providing a sovereign guarantee for AHML securities, but, given the debt crisis of the Russian Federation, this obligation may not be appealing at this time. Sovereign guarantees are a political issue, which must be authorized in a Federation budget approved by both the State Duma and President. Since the 1998 financial crisis, AHML has altered its approach to issuing securities and is considering issuance of full faith and credit bonds, collateralized by its general portfolio of mortgages. As indicated, below, AHML's *small* capital base may be an impediment to more extensive mortgage activity. AHML is now initiating alternative strategies, such as obtaining oblast and municipal guarantees to supplant Federation sovereign guarantees for bond issues. Another strategy AHML is considering is issuance of securities in domestic capital markets. This strategy holds promise if local debt markets can be developed to absorb such issues.

The Russian Federation has committed to capitalize AHML at the equivalent of \$80 million. To date only \$14 million in paid-in capital has been advanced. In addition, after the 1998 financial crisis and subsequent devaluation of the ruble, the capital base of AHML has eroded to the equivalent of \$3.5 million, of which only \$1.5 million is in liquid assets. Without a more substantial capital base, AHML's bond issuance to purchase mortgages may be constrained. Unless AHML can find additional capital (and the Russian Federation's commitment to provide additional capital of \$66 million is probably the opportunity for a cash infusion at this time), AHML's effectiveness will remain limited. The International Finance Corporation (IFC) has been considering an equity investment in AHML, but this has not materialized. Under a USAID grant, IFC has placed a foreign advisor in AHML to assist with its further development. USAID has also funded a technical advisor on risk management.

Saint Petersburg had committed to guarantee \$30 million in AHML securities for mortgage lending in the city. However, municipal officials told the evaluators that since the 1998 devaluation of the ruble, the City has little appetite for U.S. dollar obligations and has not yet proceeded with the securities guarantee commitment. HSRP staff indicate that the City is committed to a lesser \$5 million in guarantees, but this, also, has not been enacted to date.

A nationwide liquidity mechanism for mortgage lending in Russia is an appropriate strategy. Domestic capital markets for debt securities are not well established, and the feasibility of selling debt securities in domestic markets has not been established. Investment bankers affirmed the need to strengthen domestic debt markets in order to issue mortgage-backed or similar FNMA-type securities in Russia. HSRP advisors to AHML and AHML staff have held numerous discussions with investment advisors concerning structuring debt securities, but AHML has not formally engaged an investment advisor to ascertain the potential market for its securities. For example, it has yet to be demonstrated that AHML corporate guarantees, coupled with collateral from its general pool of mortgages, will provide sufficient creditworthiness to attract favorably priced bond issues.

AHML's strategy is to purchase U.S. dollar-denominated mortgages from lenders and to issue U.S. dollar-denominated securities in international capital markets to fund domestic mortgage purchases. U.S. dollar-denominated mortgages are utilized in Russia, but carry significant risks for the borrower in the event of ruble devaluation. The potential market for U.S. dollar-denominated mortgages are the most affluent borrowers. With the 1998 devaluation, there may be an increasing reluctance for banks to lend long-term in U.S. dollars and for borrowers to incur a long-term exchange rate risk. AHML is considering ruble-denominated mortgage finance, but this is linked to a moderation and stabilization of the domestic interest rates.

A consistent view amongst bank officials was that there were other impediments to the sale of mortgages to AHML. These included the requirement that banks retain 100% of the credit risk on assigned mortgages, possible imposition of additional taxes resulting from mortgage assignments to AHML, verifiable income requirements (difficult to achieve with pervasive tax avoidance), and legal issues related to foreclosure. These issues need to be resolved before it can be assumed that AHML will be able to attract a significant amount of bank lending for mortgages. Given low volume of mortgage lending even before the 1998 banking sector crisis, the extent of the market is unproven, and the viability of AHML is dependent on a significant mortgage volume (for Russia) to make appropriate returns from secondary market operations.

AHML's mandate is to also promote sound mortgage lending practices in Russian banks. The guidelines produced by HSRP for use by AHML participating banks provide an appropriate framework for mortgage lending. AHML requires participating lenders to follow rigorous international mortgage underwriting and loan administration procedures. This discipline promotes sound mortgage lending practices that, with AHML continued efforts, will become the banking standard. As an agency promoting sound bank mortgage lending practices, it should continue to function.

There are other strategies for AHML operations. These include mortgage products that focus on ruble-denominated lending. Such lending could have potential market demand, even during this period of high interest rates, especially to broaden mortgage lending to the middle-class. Bridge loans for purchasers seeking "move-up" housing, as is being proposed by some municipalities in their mortgage programs, and housing renovation loans which may structured as incremental loans that increase as the borrowers' capacity increases over time, are examples of loan products that have the potential of broader market acceptance. Such small loans present problems for structuring as securities, but they can be accommodated with effort. HSRP did promote bridge loans, and one of the series of handbooks was on this topic. However, the evaluation team saw little evidence that bridge loans or other ruble-denominated loan products were an AHML priority.

The extensive analysis devoted to AHML is undertaken because evaluation team believes that AHML could become one of the most significant resources for expanding the mortgage market in Russia and for promoting sound mortgage lending practices in banks. As such, AHML is worthy of further assistance to enable it to overcome impediments

now confronting its operations. AHML could also serve as a model for other former socialist nations, and that makes its success an even higher priority.

A significant mortgage market will most likely emerge in Russia as economic conditions improve. The potential mortgage market in Russia is substantial, even if limited to the affluent top 3% to 5% of the population. If interest rates moderate, making ruble-denominated mortgages affordable to the middle-class for “move-up” housing purchase and unit renovation, Russia could witness an explosion in mortgage demand in the future. However, even a modest mortgage market can add up to sizable funding requirements. For example, in Moscow, the average mortgage is estimated at \$40,000. If only 12,500 mortgages were originated in Moscow, this would require \$500 million in financing.

HSRP introduced the Certified Mortgage Lender (CML) program that is conducted by the Institute of Urban Economics. This program trains bank and other real estate entity officials in the technical mechanics of mortgage lending. It was highly regarded by participants interviewed and has aided in establishing international standards of mortgage underwriting and administration as the standard for Russian banks. About 60 people have attended this course under HSRP. It is now fee-based, with the objective of becoming self-sustaining. The continuation of the course is dependent on the sustainability of IUE and somewhat on that of AHML, which requires at least one participating bank official to obtain CML certification in order to become a participating lender. The CML program is a resource of continuing value to the mortgage industry and is a major success of HSRP.

In summary, HSRP had mixed results in promoting residential mortgage lending. On the whole, the assistance provided by HSRP was invaluable in creating conditions necessary to establish mortgage lending in the banking sector. Unfavorable economic conditions again loom as having been the greatest constraint to the strategy advanced under HSRP. The mortgage lending framework has been established in large part due to HSRP, and this framework will, over time, prove to be the basis of a mortgage industry in Russia.

**E. Construction Period Finance.** Under the former Soviet system, the State directly, or indirectly, provided almost all of the construction financing for real estate development. Hence, there was virtually no bank experience in construction lending as of 1992. HSRP II expanded the role of the project to include assistance in the development of construction period finance. Thirty-seven banks participated in construction lending under HSRP. Assistance focused on the design of reliable and attractive financial schemes for developers and construction companies involved in housing production, and on harmonization of bank lending rules and patterns with the current Russian economic environment. Activities were targeted to four USAID-priority cities where there was strong interest in this type of lending, and which were also targets of World Bank assistance under its construction finance loan. About 400 bankers and real estate professionals have received some form of training in construction finance under HSRP. HSRP also developed a highly detailed guide for construction lenders.

HSRP was instrumental in developing nationwide bank standards in underwriting guidelines, procedures and monitoring of construction loans. Through direct technical



assistance, study tours, seminars, handbooks and publications, effective dissemination of lending techniques occurred, and many banks and developers adapted the techniques advanced under the HSRP. All bank officials interviewed for this evaluation could produce materials provided under HSRP and could site specific positive technical assistance received.

It is understandable that Russian banks had a conservative posture toward construction lending. Construction lending is relatively risky, even in the United States. Construction lending, however, better fits banks' lending profile than long-term home mortgages because it is relatively short-term in nature. The pilot projects under HSRP and the World Bank Housing Sector Loan did produce an increase in construction loan activity. The close cooperation between HSRP and the World Bank Housing Sector Loan promoted the objectives of both projects. Even some of the most conservative banks that do not have long-term mortgage lending programs are undertaking construction lending, but mainly in the large markets of Moscow and St. Petersburg. HSRP directly assisted five banks to undertake construction lending. The Institute for Urban Economics still serves as a technical resource to banks.

The long-term prospects for increasing construction lending are positive. However they are subject to several factors, including the availability of long-term mortgage financing to replace the construction loans and to improvements in the economy, which should result in lower interest rates. Several housing projects in pilot cities have not been completed and fully sold, leaving construction loans in limbo. One of the reasons why municipalities are initiating mortgage loan programs is to facilitate the sale of those units.

**F. Infrastructure Finance.** In the former Soviet system the central government provided funding for municipal infrastructure. When the Soviet government collapsed, municipalities were ill equipped to plan and execute sophisticated project planning and financial structuring for infrastructure. Municipal finances were in a desperate situation, with inadequate revenues to finance recurrent expenditures, let alone capital improvements.

HSRP provided much needed technical expertise to assist municipalities with planning and executing long-term financing for infrastructure. Through seminars, pilot projects and technical assistance, HSRP greatly advanced the technical capacity of municipalities to undertake long-term financing of infrastructure projects.

HSRP pilot projects set positive examples of how to analyze and plan major capital borrowing. HSRP provided technical assistance to banks and vendors, serving as lenders, and to municipalities, as borrowers. Through HSRP, banks and vendors have learned how to better structure finance for municipalities, and municipalities learned how to approach banks and suppliers for financing. This multi-faceted approach served well to promote financing of municipal infrastructure.

The one area perhaps not adequately addressed under USAID and other donor assistance programs was in using domestic capital markets for acquiring municipal debt. High

interest rates deterred more consideration of this approach. However, work with pension funds and insurance companies could have, potentially, yielded a long-term and more diversified framework for municipal bond issuance, when macroeconomic conditions were more favorable.

HSRP took a very practical approach to structuring municipal infrastructure projects. It also introduced municipalities to new techniques for analyzing economic considerations for projects. Given the political resistance to tariff reforms that would increase costs for residents under current adverse macro and local economic conditions, HSRP focused attention on potential increased efficiency and lower production costs that infrastructure projects might generate. HSRP's assistance encouraged greater financial discipline in municipal project planning than was evident at the beginning of the project. Through HSRP analyses and technical assistance, the weakness of many proposals became evident, allowing for more realistic planning.

Another of HSRP's productive infrastructure finance initiatives was the introduction of creditworthiness analysis to promote municipality access to international capital markets. HSRP undertook to develop a methodology to establish credit ratings for municipalities and worked with municipalities on meeting the criteria to establish credit ratings. This resulted in several municipalities, e.g., Nizhni Novgorod, receiving international credit ratings and much improved transparency in municipality financial management.

HSRP's work on municipal credit rating was institutionalized in the creation of E-A Ratings as a subsidiary of the IUE. E-A Ratings has established itself as a creditable rating agency performing credit ratings for municipalities. Standard & Poor's (S&P) has selected E-A Rating as its local affiliate to undertake rating services. S&P has provided considerable technical assistance to E-A Ratings, and E-A Ratings has garnered significant work during its first year of operations. E-A Ratings is now expanding its work into commercial ratings.

Under HSRP, several municipalities initiated a strategy to access "hard currency" loans for projects. The appeal of much lower face interest rates on U.S. dollar borrowings, in light of high domestic ruble-denominated interest rates, made this approach seem attractive for municipalities. U.S. dollar lending had been well established for enterprises and the Russian Federation. However, there is a significant distinction in the exposure to exchange rate risk between entities with access to hard currency revenues and municipalities, which do not. International experience has well demonstrated the risks associated with hard currency borrowings in developing nations. Several U.S. dollar and DM municipal loans were undertaken and more were in planning. With the 1998 devaluation of the ruble, this exchange rate risk placed a tremendous financial burden on the borrowing municipalities. Nizhni Novgorod is now in technical default on its \$100 million Eurobond borrowing, and St. Petersburg has indicated that it would no longer consider hard currency borrowing after its experience with \$300 million in Eurobonds.

HSRP staff indicated to the evaluation team that they were not involved in advising local governments on the source of funds (i.e., ruble versus U.S. dollar-denominated debt) and

had taken opportunities to caution counterparts about the risks associated with hard currency borrowing. The evaluation team was unable to determine whether HSRP might have played a stronger role. The team does believe that better ways might have been found to raise resources, e.g., involving the Russian Federation in an intermediary role to, in effect, swap hard currency loans for ruble loans or borrow on behalf of subordinate levels of government. This would be an appropriate role for the Federation to perform to protect subordinate levels of government.

In summary, HSRP performed a significant technical assistance and educational role in promoting long-term municipal finance for infrastructure, enhancing the capabilities of *oblasts* and municipalities to plan for economically feasible projects and promoting transparency in municipal financial management. Through HSRP, banks and equipment suppliers learned how to structure better finance for municipalities and municipalities learned how to approach banks and suppliers for financing. The benefits from this technical assistance should long survive the project. IUE continues as a technical resource to assist *oblasts* and municipalities with infrastructure project planning and financing.

**G. Rent Reform and Social Safety Net (Housing Allowances).** The Law on Housing Fundamentals provided for a program to raise residential rental rates as part of a broad effort to reform the housing sector. To make these increases politically acceptable, the law also created a housing allowance program to assist poor families who could not afford the increased rents. HSRP assisted the federal government by preparing the basic conceptualization for housing allowances and simulation models to show the benefits of housing allowances. HSRP also participated in the development of regulations for implementation of both the rental increase program and the housing allowance program.

Since local governments were responsible for funding and managing these programs, the HSRP team worked with selected municipalities, beginning with Moscow, to establish their management and operational systems. The housing allowance program is now operational in nearly all parts of Russia and for the most part functioning properly. It is the only housing sector reform that has achieved nationwide coverage, benefiting an estimated 8% of households occupying government and enterprise-owned housing. During the first week of October 1999, a conference held in Moscow celebrated the program's fifth anniversary, using the occasion to highlight the program's progress and accomplishments. The Housing Allowance Program is the only needs-based Russian government subsidy program now operating in any economic sector.

The establishment of a housing allowance program was a major accomplishment. Without a housing allowance program, the RF and municipalities would probably not have been able to implement the rent increase program -- a basic building block for a market-based housing sector. By using this program to protect poor families from the adverse effects of increased rents, it has been possible to increase rents from about 3% to 35% of operating costs. Based on the favorable experience with housing allowances, USAID launched a new program to introduce a means-tested approach to the provision of other social services.

The Housing Allowance is the one housing reform area that is essentially completed. Although IUE continues to field occasional questions from municipalities regarding a technical or implementation issue, municipalities are able for the most part to carry out this activity without further outside assistance.

**H. Condominium Creation.** The privatization of state and enterprise housing, as well as the development of new housing for sale, required the development of new types of residential property ownership. To fill this need, HSRP assisted in drafting the 1993 Presidential “Decree on Home Owners Associations” that permitted the creation of homeowners associations in new and existing buildings, which led to the 1996 Law on Associations of Homeowners. This legislation allowed the common ownership of a building’s common areas as well as the management and operation of that building’s facilities by a homeowners association. HSRP also assisted in the development of model by-laws and other documents required to establish and to manage a condominium and/or a homeowner’s association. As of the end of 1998 about 3,000 condominium associations had been created, mostly in newly constructed buildings in about 30 cities. While the number of condominiums formed to date is miniscule compared to the millions of residential buildings in Russia, the condominium concept has been firmly established, both in law and in practice.

Most new multifamily buildings are organized as condominiums, and by fiat, all such new buildings in Moscow must be organized as condominiums. Since municipalities do not want the financial obligations associated with new housing, new apartments constructed by private developers are often required to be formed as condominiums. This factor has been a major contributor to condominium formation. Under the law condominiums are supposed to receive the same operating cost subsidies accorded other municipal housing. However, this practice is not followed in most municipalities.

Tenants do not often understand well the condominium concept. When tenants in a new building, for example, learn that they are responsible for the management and maintenance costs, they are often very much surprised. Surprise often turns to anger if these costs are higher than those being charged in municipally managed housing. Fortunately, most new buildings require little maintenance costs and virtually no capital repairs. So, at least during the early years, the increased costs are relatively insignificant. Nevertheless, this problem exemplifies the need to continue providing information and training on condominium formation and responsibilities, homeowner association management, and building maintenance.

**I. Competitively Bid Maintenance and Management Contracts for Housing.** Prior to initiating HSRP, USAID signed an agreement with the city of Moscow to reform the management and maintenance of municipal housing. Initially this agreement covered some 2,000 units in the West Administrative District. The project set up a formal bid solicitation process for letting maintenance contracts and trained city officials in the contracting process. This process of competitive bids for maintenance of the housing stock has spread throughout Russia, with varying degrees of coverage and success. Both

private and public (district) maintenance companies are permitted to submit bids. Nationally, about 28% of competitively bid maintenance contracts are let to private companies while the remaining 72 % are let to municipal district maintenance companies. By 1998, 80% of Moscow residential units were being maintained under competitively bid contracts.

HSRP's assistance with competitively bid housing maintenance successfully demonstrated that this technique could reduce the cost of these services, improve their quality and maintain better the buildings' condition. Competitively bid contracting incorporated private sector companies into the maintenance process, shaking up the closed nature of the municipal owned building management and maintenance companies. While private companies still hold only a minority of the maintenance contracts in cities where competitions are held, their presence has resulted in savings. HSRP surveys in Moscow have also shown that, where bids take place, building maintenance has improved. Other surveys show that residents in buildings that have changed to competitive bidding for maintenance believe that their buildings are now being better maintained.

While the value of competitive bidding has been amply demonstrated, its continued existence is somewhat tenuous due to extreme budgetary constraints now facing local governments. With shrinking government revenues, local governments are often able to provide the required transfers to complement the rental payments from tenants. As far as the evaluation team could determine, in no instances are sufficient funds being provided for housing maintenance, and in most instances no capital repairs are being made. This lack of funds has caused many municipalities to slow or even freeze the use of competitive bidding for maintenance. In St. Petersburg, the local government is reversing its position on competitive bidding and instead will give maintenance work directly to the municipal companies.

Many private maintenance companies now report that they are losing money on their maintenance contracts. In an interview with the manager of a private maintenance company, he claimed that he lost money on the maintenance contract but made up the losses with earning from other company business activities. He also stated that each time the contract is put out to bid by the district unified customer service company, there are between three and six bidders, which indicates that there are still companies that want to compete in this type of business. Somehow, the protestations of losses do not affect the entry of other companies wishing to gain a piece of this "non-lucrative" business. However, if funding does dry up, many of these private companies are likely to leave the business, handing, by default, the job of maintaining buildings back to the municipal companies. In Ryazan, for example, during a two-year period in which the municipality did not honor financial obligations to the maintenance company, it stopped providing services.

Unlike the generally positive experience with contracting maintenance, letting the management component of district housing to competitive bid has not been successful. City bureaucracies have been adamant in their opposition to this effort. The one attempt

in Moscow failed, and so far, there have been no other attempts. Yet, some unified customer service companies (public housing agencies) recognize the value of competitive bidding and/or the use of private companies to provide this service. One such company manager explained that she would like to privatize (probably through competitive bidding) her company because she could realize cost savings through such measures as putting out competitive bids for energy service and trash collection. Her recognition and that of others of the value of competitive bidding for management services bodes well for the future.

## **J. Institutionalization of Reform.**

HSRP has achieved many sustainable initiatives that have, or will, lead to the institutionalization of a number of housing and urban development reforms. A few key examples of institutionalization are provided below.

**1) Policy and Legislation.** Thanks in large measure to HSRP's efforts, the necessary legal framework for reforming housing and urban development has been put in place. HSRP had a pervasive and profound impact on the legal framework for reform. The development of local technical capacity to continue legislative initiatives at all levels of government has been institutionalized in IUE.

**2) Bank Procedures for Mortgage Lending.** HSRP created the framework for banks to adopt international standards for mortgage origination and administration. These procedures have become institutionalized in a number of banks and will be used for mortgage origination and administration in the future. AHML will further advance institutionalization of these reforms through its requirements that participating banks implement this framework. The Certified Mortgage Lender program will continue to train bankers in proper mortgage procedures and to expand knowledge on how to apply international standards to mortgage operations.

**3) Construction Period Finance.** HSRP created the framework for banks to undertake construction financing and a number of major banks and regional banks have adapted and institutionalized the financing procedures and guidelines developed under the project for this financing. Over time, these guidelines and procedures will become the standard for the lending industry. HSRP also advanced the banking sector's approach to lending to municipalities for infrastructure finance and the analytical procedures and guidelines will become the industry standard.

Construction finance has become an accepted form of bank lending by major banks and, as a result, has been institutionalized as a normal banking practice. With more favorable macroeconomic conditions, construction period financing will expand, further institutionalizing this process in more Russian banks.

**4) Infrastructure Finance.** HSRP initiated an analytical framework for municipalities to plan infrastructure projects and for structuring both bank and bond financing. These techniques will continue to become the standard for municipal

borrowings, especially as banks and suppliers seek to require this framework for considering loans. As macroeconomic conditions improve, municipalities will be encouraged to obtain long-term infrastructure financing and the framework developed under HSRP will likely become the standard for project financing proposals. IUE has the institutional capacity to deliver technical assistance to municipalities in this area.

Credit ratings will become more important for municipalities in obtaining long-term infrastructure financing. E-A Ratings has been created and will continue to provide a technical resource for municipalities to obtain credit ratings for infrastructure loans.

**5) Rent Reform and Housing Allowances.** Rent reform and housing allowances have been implemented throughout Russia. Both the Russian Federation and municipalities are committed to rent reform and housing allowances. This process will continue and cost recovery should reach higher levels as macroeconomic conditions improve.

**6) Condominium Creation.** Condominiums as a form of ownership and homeowner associations as a form of housing management have been shown to be effective in the Russian context. Newly constructed multifamily buildings will more likely be organized as condominiums while the conversion of existing buildings to condominiums will be much less likely to occur. As indicated in section III.H. above, HSRP played a major role in drafting key laws and government decrees on condominiums, in the development of by-laws for condominium associations and in helping municipalities to establish the nation's first condominiums. While these are clearly among the essential requirements to institutionalize condominiums and homeowner associations, a number of additional inputs (e.g., management training and homeowner education programs) will be needed in the coming years to ensure that these forms spread throughout the nation.

**7) Institute for Urban Economics.** The Institute of Urban Economics, a private, non-profit, policy research and consulting think tank, was created in 1995. It became operational in early 1996 when it received its first contract from UI to work on HSRP. By mid-1999, it had a staff of 72 of whom 42 were professionals, many with Ph.D's. In 1998 IUE entered into a cooperative agreement with USAID in the amount of \$3,090,000 to continue the work in housing reform. As of mid-1999 about 74% of its financial resources were derived from its cooperative agreement with USAID. In 1998, IUE's budget was the ruble equivalent of approximately \$2.2 million.

IUE has emerged as a major Russian technical resource for continuing the process of housing and urban development reforms. The development of this institution and the skilled staff within it are clearly among HSRP's major contributions. As the premier source of Russian expertise in the housing sector, IUE has a central role to play in the deepening of Russia's housing reforms.

IUE has received international recognition for excellence and been given contracts by institutions such as the Ford Foundation, Soros Foundation, EURASIA

Foundation and the World Bank. Nevertheless, it remains heavily dependent on USAID funding. IUE still derives most of income from USAID contracts, even though sources of financing are becoming much more diversified. With no endowment to support its core activities in housing reforms, much of the expertise of IUE could be lost after its USAID contracts conclude. The State *Duma* does not pay consultants to assist in legislative development and municipalities are financially strapped. However, continuing technical assistance to these entities is vital to furthering the reform process. To ensure continued reform activities in housing and urban development, it would be helpful if IUE had a stable, permanent source of financing.

## **K. Other Activities.**

**1) Small Grants Program.** HSRP II provided small grants to NGOs operating in the housing sector throughout Russia. The project disbursed a total of \$224,734 to 28 grantees, an average of about \$8,000 per grantee. These grants supported the institutionalization of housing sector reform by funding primarily non-governmental organizations involved in carrying out housing reform activities.

The evaluators interviewed two grant recipients at their facilities. The Nizhny Novgorod Department of the Society of Russian Construction Engineers received a \$9,000 grant for training, consulting and exhibition services. The Research Institute "Dialog" in Novgorod received two grants: \$8,500 to develop a system for training homeowner association managers and \$17,500 for increasing qualifications of trainers and printing of training materials. These organizations reported that the small grants had been exceedingly useful in developing sustainable activities related to housing reform. Visits to their facilities revealed that the activities were still in place, and the grantees were continuing to provide critical assistance. Nevertheless, both organizations reported having difficulties obtaining funding for many core activities.

**2) Delivery Orders.** Under an Indefinite Quantity Contract attached to the "core" contract, USAID issued four delivery orders to UI. The purpose of these delivery orders was to extend the activities already being implemented or in the process of being completed by other USAID contractors and/or by UI itself. The four contracts were:

- DO #1: Commercial Real Estate Lending. Consolidated two projects relating to real estate construction period and commercial mortgage lending, and which would generate increased demand for this type of lending and the capacity of banks to provide it.
- DO #2: Land Use Regulatory Reform Roll-Out. Follow-on to the Enterprise Land Sales project; allowed a transfer of lessons learned and a smooth transaction of expatriate advisors and trained Russian professionals from the pilot project to the project's roll-out.
- DO #3: Deepening Urban Real Estate Reform. Intended to expand the capacities of Russian professional and organizations engaged in real estate activities, particularly



through other USAID financed projects, by developing professional education and training, information dissemination, and growth of professional networks.

- DO #4: Partnership for Freedom in Novgorod. Refocused U.S. assistance on economic growth and grassroots linkages, building on the groundwork laid out there under various USAID housing and land projects.

These delivery orders were not subjects of this evaluation.

## IV. CONCLUSIONS AND RECOMMENDATIONS

### A. Conclusions

The evaluation team's major conclusion is that HSRP was an extraordinarily successful project, both in terms of meeting project indicators of performance and in effecting a framework for housing reforms in Russia. HSRP had a pervasive and profound affect on the direction and structure of Russia's housing and urban development reforms. The reforms achieved would, most likely, not have been as well conceived and legislation certainly would not have been as well framed without the HSRP. The project provided critical assistance to the central government and many subordinate levels of government to establish new norms and structures and to learn new functions. Similarly, the private sector has been able to begin solidifying free market principles and to begin providing the necessary resources to finance further reforms.

HSRP's achievements are particularly remarkable in light of the difficult environment in which they occurred. The almost total dependence on the State for economic production and for housing during the Soviet period left a legacy in many ways more difficult to transform than that found in much poorer developing nations, since the latter typically had at least some tradition of a free market structure. Further, HSRP realized its success in an environment of very unfavorable macroeconomic conditions. Virtually the entire HSRP implementation period was typified by declining GDP and real per capita incomes.

HSRP's successes, however, do not mean that housing reforms have been fully adopted and are operational throughout Russia. Indeed, much remains to be done. The massive transformation of Russia's socialist economy to a free market system will take many more years to accomplish. With signals from the State *Duma* and municipal elections suggesting a growing conservative backlash to the slowness of reform and poor economic performance, the road ahead will be long and difficult.

### B. Lessons Learned

**1) Transformation of a socialist society to free market principles is a long-term process.** Donor programs should reflect the need to have a long-term perspective. This means that donor projects should be long-term (perhaps 10 years or more), both in

objectives and funding. Similarly, foreign advisors should be long-term, whether resident or by assigned task order.

**2) Macroeconomic conditions significantly impact project implementation.**

Macroeconomic conditions had a significant impact on the pace and extent of reforms adopted. HSRP demonstrated that, in spite of adverse macroeconomic conditions, progress could be made. However, one wonders what additional accomplishments might have been achieved with more favorable macroeconomic conditions.

**3) Flexibility in project implementation allows for meeting rapidly changing conditions and demand-driven assistance.** HSRP demonstrates the importance of having a flexible approach to project design which allows for rapidly changing conditions as well as to take advantage of targets or opportunities from demand-driven technical assistance, rather than trying to force results based on a pre-conceived set of performance indicators.

**4) Design and implement procurement can be advantageous.** HSRP demonstrated that a contractor engaged to design a project who is then contracted to implement that project design, can achieve a seamless transition from the design stage to implementation and produce significant performance in the conduct of the project.

**5) Technical assistance should be demand driven.** Counterparts must be committed to the objectives to be accomplished through technical assistance and, thereby, technical assistance should be provided where such requests and commitments are received from recipients. Where commitments are not evident during implementation, flexibility to change recipients should be permitted. This also indicates that technical assistance should be in support of objectives defined by counterparts.

**6) Russian technical capacity-building should be a high priority.** Expatriate technical assistance should be conducted with a major priority for training Russian counterparts to assume ever-increasing levels of responsibility for project implementation, with the objective of having in-place technical capacity to continue assistance goals after termination of the project. In Russia, Russians can be the primary technical assistance providers. HSRP demonstrated how quickly well educated Russians can be trained to become teachers of concepts quite outside their previous experience.

**7) In-county demonstration projects are often necessary to provide local experience with reforms prior to their dissemination and adoption.** Nothing conveys a message as well as an example. Demonstration projects, preferably within the recipient country, are necessary to provide examples that may be emulated and to discern desirable changes in strategy. Without demonstration projects it will be much more difficult for counterparts to identify with proposed changes and to understand how to implement them. This strategy should include making provision for implementing recipient agencies to become part of the information dissemination process.

**8) Widespread and long-term dissemination of information is necessary to encourage adoption of changes.** A long-term strategy to maximize dissemination of information about project results should be an essential element of project design and should have the capability to survive the project. Dissemination strategies should be multi-faceted and funded at a level to be effective. It is not enough to assume that an implementation agency is able to disseminate information after the project is completed. Adequate long-term dissemination funding strategies should be identified within the project.

**9) Monitoring and evaluation must be a continual process.** Often official data sources are inadequate to monitor and provide data to evaluate progress in effecting changes. Monitoring and evaluating a sector are an essential means to measure progress and to provide the basis for future strategies. Projects need to incorporate effective monitoring and evaluation procedures, not only during the project, but to continue beyond project completion.

**10) U. S. experience needs adaptation for Russian implementation.** The U.S. has many policies and systems that are potentially valuable for assisting Russian transformation to a free market system. However, given social and economic conditions, and behavioral norms and traditions that significantly differ between the two nations, HSRP found that substantial adaptation and modification of U.S. experience are necessary to be successful in the Russian context.

**11) “Hard currency” borrowing by entities and individuals must be carefully assessed.** Experience has demonstrated that hard currency debt in developing nations often becomes onerous due to deteriorating exchange rates. Financing strategies that rely on hard currency debt should be approached cautiously, with extensive consideration of the potential risks. Strategies should be identified to mitigate the consequences of exchange rate risk. A bad experience with hard currency borrowing could actually be counter-productive to effecting long-term reforms.

**12) Continuity in filling key positions is critical.** Keeping effective senior personnel for the life of the project can be very advantageous. There is no doubt that HSRP benefited greatly from the presence of the highly qualified UI Chief of Project throughout the project period.

**13) Projects must have clear objectives and measurable indicators and then aggressively manage for their achievement.** HSRP seems always to have had a clear vision of the market-oriented system that it sought to help the Russians to install. This translated into clear objectives and measurable indicators. That plans and emphases changed, counterpart agencies varied and indicators were shifted is not a symptom of weakness or failure; rather, since the vision and goals remained constant, these changes demonstrates active, aggressive management.

## C. Future Directions

HSRP has made considerable progress in initiating housing and urban sector reforms. However, much remains to continue this progress. There are many areas where donor assistance can be productive. A selected few are outlined below.

**1) Further development of the policy / legislative base for reforms.** Legislative initiatives at the Federation, *Oblast* and municipal levels are still in evolution and would greatly benefit from continued technical assistance. Continuation of appropriate legislation is essential to further reforms. A long-term technical resource must be available to assure that experienced and qualified guidance is provided.

**2) Communal services and tariff reform.** Inefficiencies, obsolescence, massive deferred maintenance and inadequate revenues plague municipal communal (utility) systems. Costs are rising faster than inflation and rent increases, placing extreme financial pressures on municipalities. Reform in communal systems and tariffs are essential to assist municipalities to climb out of seemingly intractable budget problems and to provide better services for local industry and residents.

**3) Housing finance.** The mortgage industry is just in its infancy. If macro-economic conditions improve, the potential demand in Russia for mortgage finance could escalate to the equivalent of billions of dollars. This is especially true if more affordable loan programs become widely available, such as bridge and renovation loans to improve currently occupied housing. The banking sector is presently unprepared to provide the financial resources necessary to meet this prospective demand. A liquidity facility to provide financing for banks is essential. While the Agency for Housing Mortgage Lending and other sources, such as TUSRIF, may serve this purpose, more than one such liquidity facility may be needed.

Assistance needs to be given, and perhaps, new financing strategies devised to prepare these liquidity facilities to fulfill this function. One measure to be considered is mortgage (default) insurance for individual home purchase and renovation mortgages. The U.S. Government instilled confidence in mortgage financing through mortgage insurance, and this procedure may be beneficial to draw more financial resources to the housing sector. There are difficulties with establishing a mortgage insurance program, but, nonetheless, it should be seriously considered.

**4) Financial sector strengthening.** In addition to assisting banks to improve liquidity for mortgage lending, there are other factors that need to be addressed in the financial sector to promote financing for housing and urban development. Improved regulation and supervision of banks would instill greater confidence in the banking sector. Debt financing in domestic capital markets should receive significant attention to promote local currency financing for mortgage securities and municipal bonds. Reliance on international capital markets hard currency financing is not fiscally sound and is not appropriate for housing and urban development financing.

Another measure is to implement a sound deposit insurance program in private banks. Such a system is now under consideration. An effective deposit insurance system would significantly enhance resource mobilization for banks and give them more confidence to provide long-term mortgages. Further, information dissemination efforts need to be maintained to assure proper bank underwriting and administration of mortgage loans. This function could be continued by the Agency for Housing Mortgage Lending, if sufficient resources are available in the future.

**5) Tax code revision.** The present tax code is complex and counter-productive and leads to pervasive tax avoidance. The negative impacts of the tax code, for example, affect mortgage finance by making sound underwriting difficult, especially in ascertaining verifiable incomes.

**6) Institutionalization of Russian capacity to continue housing reforms.** Continuation of legislative initiatives, sector monitoring and evaluation, information dissemination on best practices and technical assistance must have sufficient financial support for the long-term to solidify gains in housing reform and advance the process. The Institute for Urban Economics represents a valuable resource to achieve these objectives. However, the lack of an endowment to assure a core activity in housing reform may result in a gradual reduction in its capability to perform these essential functions, especially if donor funding priorities lead IUE in other directions.

**7) Condominium management and board-of-directors training and formation of national and local condominium representational NGOs.** Homeowner associations and condominiums are emerging as significant housing management and ownership forms. However, there is not a corresponding understanding of the opportunities and responsibilities of homeowner associations and condominium ownership. To fully realize the benefits of condominium ownership and expand this ownership form nationwide, significant efforts must be initiated to train boards-of-directors and to develop national and local representational NGOs for condominium owners.

## **D. Recommendations**

**1) Continued financial support for the Institute for Urban Economics.** HSRP achieved significant success, in large part due to the Institute for Urban Economics. IUE is one of the most significant success stories of HSRP, which spawned this Russian technical organization.

A core capability needs to be maintained in IUE to continue its technical capacity to provide services at uneconomic returns or at no cost, where appropriate, to further housing reforms. In particular, continued legislative work with Federation ministries and the State *Duma* is essential to keep enhancing the legal and financial base of housing reforms. Without a key technical resource, such as IUE, the conceptual base may be lost for further advancement of the current framework of housing reforms. Of equal importance is legislative assistance to *Oblasts* and municipalities, which must translate the legal framework of housing reforms into practical application at the local level. The

broad respect IUE has achieved amongst many *Oblasts* and municipalities under HSRP cannot be replaced. HSRP demonstrated the positive effects of third party funding to assist all levels of government in preparation of legislation.

A second important area where IUE will find it difficult to cover its costs through sales is data gathering and analysis. Official statistics have many shortcomings and much of the data gathered are in a raw form, not useable as such for analytical purposes. This work yields little in terms of income, but produces significant benefits. Without continued funding, much of IUE's monitoring, analytic and dissemination activities in the housing sector will be curtailed or gradually fade away as donor support in this sector eventually ceases.

IUE serves a significant education and technical assistance role in the housing sector. IUE staff members are frequent lecturers at conferences and seminars. It publishes technical materials not otherwise available, and presents educational programs, such as the respected Certified Mortgage Lender course. IUE also performs substantial technical assistance to all levels of government, non-profit organizations and the private sector. Many activities are revenue generating, but others are subsidized to varying degrees. As the need to support IUE services may take it into new technical areas, it is essential that a core capability in the housing sector be maintained to provide educational and technical assistance services as the need arises, even if there are insufficient or no revenues received for such services. IUE has many progressive ideas for advancing housing and urban development research and conceptual thought, such as creating an advanced degree program in urban economics, which is unavailable at any higher education institution in Russia. IUE is an internationally recognized think tank in housing and urban development policy and practice, and this resource should be maintained for the long-term.

USAID has a number of options for providing additional support to IUE if it wishes to do so. USAID could amend its current cooperative agreement with IUE (which concludes in year 2000) or enter into another long-term cooperative agreement to assure IUE's continued core housing sector operations. As IUE is a non-profit foundation, they are eligible for this funding. USAID may also engage technical assistance for IUE to develop long-range financial planning, which might include strategies to obtain an endowment from foundations and ways to enhance revenues from its operations to support core housing sector functions. IUE is worthy of such financial support. Its experience, contacts and exceptional reputation, gained through HSRP, is irreplaceable and unmatched by any other technical resource in the Russian housing sector. Further long-term support for IUE would be one of USAID's most productive investments in long-term development assistance. (Background materials on IUE are contained in Annex K.)

## **2) Strengthening Domestic Capital Market Debt Financing**

Most donor assistance focuses on equity (stock) market development. However, for housing and urban development sectors, strengthening domestic debt markets would yield the most productive benefits. This would, for example, assist the AHML to issue

domestic securities to purchase mortgages, and the *oblasts* / municipalities to issue municipal bonds for housing and urban development.

Assistance could be provided to both private sector and public sector insurance companies and pension funds to advise them in strategies for their investment portfolios that include a range of housing and urban development debt instruments. Assistance could also be undertaken to study the feasibility of developing mutual funds for investment in housing and urban development debt securities.

### **3) Strengthening Bank Resource Mobilization**

Public confidence must be restored in the banking sector to attract significant and stable deposits that would allow the banks to expand construction and long-term mortgage lending. Two measures could benefit from donor technical assistance. First, the RF is considering a deposit insurance program for private banks, and this could be a constructive assistance program for donors. Second, with all the bank failures in the 1990s, strengthening the Central Bank's oversight and regulation of banks is essential to instill public confidence in private banks.

### **4) Continued Assistance to AHML**

USAID is continuing to provide technical assistance to AHML, however, this assistance needs to be more extensive. Additional assistance is needed, for example, to expand AHML's capital base to allow it to successfully purchase, or issue securities to purchase, mortgages. The prospects of substantial mortgage demand, once macroeconomic conditions are favorable, coupled with the fact that banks are unprepared to meet that demand, makes it imperative for AHML to be in a position to serve effectively as a secondary mortgage market facility.

### **5) Mortgage Guarantee (Default) Insurance**

To extend confidence in mortgage lending for the middle-class and encourage wider participation by banks in mortgage lending, development of a mortgage insurance program should receive serious consideration in Russia, even with the attendant problems associated with the lack of mortgage history in Russia to price such insurance. Initially the mortgage insurance program could be introduced for small move-up and unit renovation loans and then be expanded for larger purchase mortgages in the future. This could give immediate access to mortgage loans for middle-class borrowers.

### **6) Assistance To Local Governments For Economic Development**

Housing reforms are constrained by adverse local economic conditions. Without a concerted effort to improve local economies, further reform measures may be stymied by political resistance, as was evident in recent municipal elections. Several municipalities indicated that rent reform was on hold due to the financial pressures facing city residents

and other reforms, such as competitively bid maintenance, was not a priority due to fiscal constraints being experienced by local governments.

### **7) Strengthen Municipal Infrastructure Planning, Financing and Tariff Reform**

The success of HSRP in demonstration projects related to municipal infrastructure planning and finance, suggests that continued technical assistance in this area is warranted. The significant level of deferred maintenance in municipal infrastructure and the grossly inefficient operations of communal (utility) services are causing housing operating costs to rise faster than rent reform rent increases. Now with rent reform hindered largely by adverse economic conditions, this will place ever-increasing strains on municipal budgets and create conditions for a political backlash against housing and urban development reforms. Tariff reform has proven that it is subject to improving local economic conditions, however, continued preparation to move toward tariff reform will yield substantial benefits as economic conditions become more favorable.

Municipalities are struggling to meet budget obligations to support housing operating costs, much less being able to cope with the substantial deferred maintenance that continues to erode the quality of the housing stock. Continued technical assistance to municipalities for infrastructure planning, financing and tariff reform will produce long-term benefits for stabilizing local government.

### **8) Condominium Board-of-Directors Training and Establishment of National and Local Condominium Representational NGOs**

Condominium ownership offers a significant opportunity to expand private sector maintenance and management of housing. However, condominium ownership is not well understood by owners or boards-of-directors; thereby, many of the benefits of condominium ownership are not realized. Many condominiums are formed only to meet requirements of local government. Little effort has been made to train owners or boards-of-directors in accepting the duties and enjoying the benefits of condominium ownership. Further technical assistance is needed to expand the knowledge of condominium boards-of-directors in self-management.

National and local representational NGOs are needed to support education programs for condominiums and to lobby for enhanced conditions favorable for the promotion of condominium ownership. Since there is such little understanding of condominium ownership, expatriate technical assistance would be highly beneficial until a cadre of local professionals can be trained to assume leadership in this area.



## **Annexes**

**M. Scope of Work**

**N. List of Interviewees**

**O. Indicators of Project Impact**

**P. CARANA's Evaluation Team Members**

**Q. Analysis of Russian Economic Conditions**

**R. Analysis of the Russian Housing Sector**

**S. List of Project Activity in Legislation, Presidential Decrees and Regulations**

**T. List of Project Seminars, Presentations and Conferences**

**U. List of Project Papers and Publications**

**V. List of Project Sponsored Study Tours**

**W. Institute for Urban Economics**

**X. Success Stories**

**Annex A**  
**SCOPE OF WORK**  
**FOR EVALUATION OF THE HOUSING SECTOR REFORM PROJECT**

**I. Activity to be Evaluated**

The focus of this evaluation is USAID's Housing Sector Reform Project. This project has been implemented by Urban Institute since 1991. The project contributes toward achieving a wide variety of USAID/Russia targets, cross-cutting between several Strategic Objectives. Specifically, the program contributed to:

- C SO 1.3. "Accelerated Development and Growth of Private Enterprises";
- C SO 2.3. "More Effective, Responsive and Accountable Local Government in Selected Cities" (no longer part of the Missions strategic objectives);
- C SO 3.2. "Improved Effectiveness of Selected Social Benefits and Services"

**II. Background**

**II.a. Overview**

Housing sector reform is one of the most important priorities for Russia as it undergoes massive economic, political and social transformations. As recently as 1991, the Soviet Union's housing policy was one directed at maximum socialization of housing, characterized by state monopolization of the design, construction, financing, allocation and maintenance of units.

The transition to a privatized housing sector is having a major impact on the national economy. The housing stock accounts for 20% of the nation's reproducible wealth; housing investment is 26% of all investment and 13% of the labor force is employed in housing construction and maintenance. Privatization of housing is also a major step towards improving the quality and affordability of housing for Russian citizens.

The first stages of USAID's Housing Sector Reform Program (HSRP), implemented primarily by the Urban Institute (UI) was launched in September 1992. A follow on contract (HSRP II) was awarded in 1995 and completed in September 1998. The total funding for the HSRP I and HSRP II contracts awarded to the Urban Institute was \$23,923,332. Additionally, technical assistance has been provided for the preparation of World Bank loans.

The main areas of the project were as follows: policy and legislative development; housing finance; construction period finance; infrastructure finance; rent and tariff reform; means-tested housing allowances programs; and institutionalization of reforms. HSRP-I resulted in a progressive legislative program, key demonstration projects, primarily in Western Russia, including documentation of sector developments in Moscow, and the beginning of institutionalization. HSRP-II continued the achievements of HSRP-I, rolling out reforms to more regions in Russia. In 1997, an expanded program was initiated in four regional centers of Russia: Vladivostok (Far East); Irkutsk (Eastern); Rostov-on-Don (Southern) and St.Petersburg (Far North). In 1998, at the request of Government of Russia, the HSRP sites were changed to the fourteen cities selected as targets for implementing intensive housing reform.

## **II.b. Program summaries**

The following activities have been the major components of the Housing Sector Reform Project in Russia.

1) *Policy and Legislative Development:* Starting in 1992, the Urban Institute participated in the drafting of most pieces of legislation related to housing policy in the Russian Federation. This included work on Presidential decrees, Federal laws and government resolutions.

At the federal level, UI worked closely with the Ministry of Finance, the Ministry of Economy, the Ministry of Construction, and the relevant committees of the State Duma, to secure passage of pieces of legislation, as follows: the Law on Fundamentals of Housing Policy (1992); the Law on Fundamentals of Urban Planning (1992); the Law on Home Owners Associations (Condominiums) (1996); a Presidential Decree and subsequent Government Resolution on "Svoi Dom" (1996) aimed on improving the efficiency of housing construction; Government Resolution on Rent Reform and Housing Allowances (1996); the Law on Registration of Rights on Real Property and Transactions (1996); and Presidential Decree on Development of Competition in Maintenance and Repair of the State and Municipal Housing Stock (1996); and the Law on Mortgage (1998).

On the local level UI worked with cities and oblast Administrations throughout Russia to adopt, amend and implement necessary municipal housing legislation and normative documents required to proceed with condominium formation, competitive housing maintenance, housing allowances and tariff regulation. The City of Moscow has a special program that included all the components of the UI technical assistance mentioned in the section.

2) *Residential Mortgage Finance:* UI developed and instituted a residential mortgage finance demonstration project that involved consultative services to 30 banks across Russia. UI developed and distributed guidebooks and computer software on mortgage lending, and instituted a series of training courses that are now being offered by local institutions. With HSRP assistance, over 20 banks implemented viable mortgage lending programs prior to the economic crisis of late 1998.

UI technical assistance also helped in the creation of the Russian Agency for Mortgage Lending (RAML), the first ever secondary mortgage market facility in Russia, similar in function to Fannie Mae in the United States. Fannie Mae worked under a subcontract with UI to prepare the principle guidelines for the RAML's operation, as well as both the business and financial plans, and provided substantial training to RAML staff.

3) *Construction period finance:* The construction finance team worked with 13 banks to improve their capabilities in construction loan underwriting (cash flow and market analysis) and increased discipline in loan dispersal. UI developed and published a comprehensive handbook for bankers on construction finance, and developed corresponding training programs. Before the current economic crisis in Russia, several

banks (including Stolichny and East Siberian Commercial Bank) were lending to developers following procedures developed by the Urban Institute.

4) *Infrastructure Finance*: The focus of this component was on how to improve the infrastructure through increasing user's fees, and on how to obtain financing through bond issue or bank loan. UI worked with cities where there was significant interest in learning more about the possibility of financing infrastructure improvements through municipal bonds or bank loans. After training, three cities (Vladimir, Ryazan, and Nizhni Novgorod) stated their intention to find potential infrastructure improvement projects for long-term financing. UI co-sponsored several capital finance workshops with the Research Triangle Institute which was implementing the Mission's Municipal Finance and Management Project. A credit rating analysis was prepared for the City of Novgorod which was very well accepted by local and international financial institutions operating in Russia. The World Bank later signed a contract with UI's key Russian technical staff and the Institute for Urban Economics, to perform credit ratings in seven other cities.

5) *Rent Reform and Social Safety Net (Housing Allowances)*: Under Russian law, rents are supposed to be increased to cover the entire operating costs and capital repairs for municipal housing stocks by the year 2003. UI developed the structure of the existing national housing allowances program, where subsidies are paid on a means-tested basis to low-income families to help cover the cost of increasing rents. Approximately 95 percent of the Russian population now live in areas covered by the housing allowances program. UI was responsible for writing the national guidelines for the housing allowances program, and advised more than 25 cities on its implementation. UI also drafted letters of instruction from the Ministry of Construction on housing allowances to local governments throughout Russia, and developed several handbooks related to the program.

6) *Condominium Creation*: UI helped to draft the 1993 Presidential "Decree on Home Owners Associations (Condominiums)". Under this decree, a small number of condominium associations were registered in approximately 20 cities, the precursor to much broader association registration that occurred later. UI wrote model charters, and detailed registration and normative documents for use by local administrations in registering condominium associations.

In June 1996, the national "Law on Home Owners Associations (Condominiums)" was passed and signed by President Yeltsin, drafted with assistance from UI. This law gave an impetus to the formation of condominium associations nation-wide. Primarily, condominiums have been formed in newly constructed apartment buildings. Many developers have adopted a practice of forming condominiums during the first stages of construction.

UI offered training courses on condominium issues for local officials, condominium boards and condominium managers. UI also offered consultations with interested or concerned tenants of buildings being transformed into condominiums.

7) *Competitively Bid Maintenance and Management Contracts for Housing*: HSRP initiated the first ever competition in Russia for a competitively selected firm to maintain municipal housing (Moscow, 1993). Eventually, UI implemented maintenance demonstration projects in more than 20 cities in Russia. In most of these cities,

approximately 10-15 percent of the housing stock is currently under competitive maintenance. In Moscow, UI helped carry out the first successful management competitions.

UI worked with cities to convince them of the need for creating "customer service" entities which actually contract for maintenance services. These structures enable the city to clearly separate the functions of maintenance and management and support efforts in implementing private maintenance. With UI advice, Moscow held two competitions for selection of private firms to take on full management responsibilities of 4% of all housing stock in the city. UI offered training courses to city officials on how to create these customer service entities, to restructure the local housing departments, and on how to hold successful competitions or bids for private maintenance and management.

8) *Institutionalization of Reform:* Institutionalization is a priority of USAID's HSRP program. In October 1995, the most qualified and experienced Russian staff of the UI created their own non-governmental organization, the Institute for Urban Economics (IUE). The formation of IUE was a result of a four year effort of UI at training and institution building. By January 1996, IUE had become a formal USAID subcontractor for the HSRP II contract. The IUE also attracted additional clients, such as the World Bank, the Ford Foundation, Standard and Poors, and many Russian local governments. Currently, IUE is carrying out one direct grant and a cooperative agreement with USAID with a total value of more than \$3 million.

### **II.c. Activity contribution to the USAID targets**

HSRP contributed to a wide variety of targets, cross-cutting between several Strategic Objectives and Intermediate Results. Specifically, the program contributed to:

#### *Strategic Objective 1.3. Accelerated Development and Growth of Private Enterprises*

In 1997, President Yeltsin signed a decree aimed at implementing housing sector reforms in Russia, drafted with strong technical support from the Urban Institute and Institute for Urban Economics. The Decree covered demonopolization and development of competitive tendering of communal services, promoting creation of homeowners associations, and reforming the system of finance and payments for housing and communal services. The Decree set a target of 2003 for self-sustainability of the sector, by which date the population should be paying 100% of the costs for maintenance and communal services, and means-tested subsidies are used to cushion the effects of poor residents. The Decree also designated 14 pilot cities where intensive efforts would be made towards achieving the reform targets. A follow-on Government Resolution mandated reducing certain Federal grants to regions which do not adhere to the Federal schedule of raising rents. HSRP developed a methodology for computing the status of compliance by regional governments and for determining the amount of the deduction. The Decree itself and follow-on resolutions adopted by the GOR gave a substantial impetus to implement housing reforms on the territory of Russia.

The Urban Institute's regional strategy for HSRP was revised in 1997 to reflect the goals and objectives of the GOR. The HSRP focus sites were changed to correspond to the 14 cities selected by the GOR. With technical assistance provided by the UI, all of the cities drafted comprehensive local programs of housing reforms by October, 1997. All

the targeted cities were very active and supportive to homeowners associations formation. Overall 270 condominiums were formed in the targeted cities. The city of Moscow continued efforts in creating a competitive environment in the area of housing maintenance and management. 72% of Moscow's city-owned housing is maintained by competitively selected companies.

### *SO 2.3. More Effective, Responsive and Accountable Local Government in Selected Cities*

Competitive maintenance was accepted in principle by all 14 GOR pilot cities, but implementation has been slow outside of Moscow. N. Novgorod led with 40% of municipal housing being maintained on a competitive basis, while six of 14 targeted cities had at least 5 competitions held.

According to the federal targets in 1997 the residents were to cover 35% of maintenance and utilities costs. The standard was outperformed by 9 out of 14 cities with achieving at least 36.5% of cost recovery, while the lowest cost recovery rate in targeted cities was 20%.

### *SO 3.2. Improved Effectiveness of Selected Social Benefits and Services*

President Yeltsin's Housing Sector Reform Decree and the follow on Resolution forced cities to increase tariffs to cover 35% of maintenance and communal services costs in 1997. In order to support the low income population hurt by the increased tariffs, HSRP assisted the administrations in all 14 pilot cities to improve their housing allowance office operations. Only the cities of Ulyanovsk and Nalchik had no experience with housing allowance programs. As a result, they had a very small percentage of households receiving allowances - 0.7% in Nalchik, and 0.9% in Ulyanovsk. But both cities began to make rapid strides.

## **III. INFORMATION SOURCES**

This is not an exhaustive list of available information sources, but items below provide the Team with most of the available documents.

Contract with Urban Institute #CCS-0008-C-00-2055-00 (HSRP I) for the period of September, 1992 to September, 1997 for \$15,597,752.00.

Contract with Urban Institute #EPE-C-00-95-00118-00 (HSRP II) for the period from September, 1995 to September, 1998 for \$8,325,580.00.

Contractor Performance Report for the Urban Institute for the period from September, 1992 to July, 1996 prepared by USAID.

Progress and final reports submitted by the Urban Institute to USAID since the program inception.

General Accounting Office report on HSRP I.

All UI files and reports are available at USAID/Russia.

Project Officers in USAID/Russia, ENI/UDH in USAID/Washington, Urban Institute staff, home offices of organizations-providers, subcontractors, counterparts, local authorities, NGOs, and organizations implementing affiliated programs also may serve as information sources.

#### **IV. PURPOSE OF EVALUATION**

The evaluation will concentrate on the USAID activities aimed at providing technical assistance and training in the field of housing and urban development reforms. The main purpose of the evaluation is to assess a) impact and effectiveness of the project as well as (b) the performance of the Housing Sector Reform Project, as implemented by the Urban Institute from 1992 through September, 1998; (c) the implementation mechanisms used in the program; (d) the sustainability of the reform efforts; and (e) how effectively Urban Institute responded to the rapidly changing conditions and needs in the sector over the course of implementation.

The evaluators should also (f) give recommendations on what further activities towards reforming the housing sector in Russia should be implemented in response to the economic crisis, and how. Additionally, the team should (g) give recommendations on future long term needs of the housing and urban development sectors in Russia.

The evaluation will also reveal lessons learned and best practices of the program to help determine future, long-term USAID strategy in the field.

#### **V. EVALUATION QUESTIONS**

1. Profile of activity. A profile of each activity reviewed will be developed and will include, but not be limited to:

- organizational structure
- staffing
- areas of focus/Types of interviews
- estimated levels of funding
- estimated life of project
- contracting mechanism used
- objectives and targets identified

Note: the activity should be considered as a broad category of assistance, i.e. mortgage finance, housing allowances, etc.

2. General questions to address (for each activity):

- a. Management Structure

- What was the management structure and style of the organization/team/group?
- How did management incorporate program planning and review? How were program adjustments identified and carried out?
- What was the level of USAID management/oversight?
- What were the perceived and/or real advantages and disadvantages of the management structure?

- b. Implementation

- What were the accomplishments/lessons learned? Were they replicable?

- What were the mechanisms and/or approaches that worked the best/least well? Why?
  - What were the functional areas that seemed to be the most/least responsive to our interventions? Why?
  - What were the major constraints facing the program? Were they responded to effectively?
  - What was the program's approach to cost effectiveness/cost recovery/cost sharing? Was it effective? Was it replicable?
  - Did the contractor effectively coordinate/collaborate with and/or build upon the work being performed by other implementors/donors in the housing sector in Russia?
  - What role did external factors beyond the control of the project have on the achievements of goals?
- c. Flexibility
- How flexible/effective was the program (structure and content) in responding to changing conditions and varied demands for assistance in Russia?
- d. Results, monitoring and reporting
- What type of system was used (methodology) to monitor project impact?
  - What types of data/indicators were collected and reported?
  - Were there changes to the indicators based on experience?
  - How reliable was the data being reported? What were the biggest obstacles to "good" data collection? How were the obstacles dealt with?
  - How was the information and the reports generated used by management (both the implementor and USAID)?
- e. Institutional sustainability
- What approach did the program take toward sustainability? How effective was it?
  - Did the contractor develop and make effective use of Russian expertise?
- f. Linkages
- What kind of linkages did the program have with other USAID activities/areas of focus, e.g., municipal finance, intergovernmental fiscal relations, local government, natural monopolies, energy/environment activities?
  - What difference did these linkages make to the overall program strategy and achievement/sustainability of program objectives?
- g. Specific program questions to address
- How may the current economic crisis in Russia affect the sustainability/continued replication of reforms? (Mortgage lending and tariff/communal services reform are of particular interest.)
  - Have the experiences/lessons derived from the past HSRP activities been incorporated effectively into USAID's current/planned activities in the sector, specifically with respect to the new recent cooperative agreement signed with the Institute for Urban Economics?



## VI. EVALUATION METHODS

The overall evaluation methodology will be finalized by the evaluators in collaboration with the USAID/Russia Evaluation Team and Activity Managers. However, USAID expects that at a minimum the evaluators will:

1. Review and analyze the existing performance information;
2. Interview representatives of the home offices of organizations included in the review;
3. Interview field staff of USAID, the implementing organizations, organizations implementing associated programs, including private sector organizations, and Russian Federal Government and local government counterparts;
4. Conduct site visits to a representative number of cities and regions in the Russian Federation, including at least three areas outside of Moscow and St.Petersburg.

## VII. SCHEDULE

Approximately six weeks are estimated to complete this evaluation with an assumption of a five-day work week. A representative work schedule is indicated below, but it may be modified on mutual agreement between the outside team and the Evaluation Coordinator.

Activity	Description	Location	Approximate Dates
Outside team selection	Selection of contractor Sign contract	Moscow	April 20 – May 1
	ENI/UDH and USAID/Russia Housing Unit will provide general background, program and other documentation.	Washington	May 1 – 10
Background	Finalize schedule, review background documents and performance information, design a list of interviews, develop survey instrument(s) and report outline.  Finalize and discuss the methodology and the scope of work with Evaluation Coordinator (by e-mail).	Washington	May 17 – 19
Interviews I	Interviews with AID/Washington staff and staff from home offices of organizations-providers.  Select sites to visit and draft the schedule. Start logistical arrangements.	Washington	May 20-21
Interviews II	Interviews with Mission and Provider's staff, subcontractors, counterparts, NGOs, and organizations implementing affiliated programs.	Russia	May 24-26

	<p>Review methodology and refine, if necessary. Finalize travel schedule with Evaluation Coordinator.</p> <p>The team may wish to split into two sub-teams and visit different regions where the project has been implemented.</p>		
Site Visits	<p>Conduct site visits.</p> <p>Begin drafting reports. Report structure discussion with the USAID/Russia Evaluation Team. Agreement by the Evaluation Coordinator</p> <p>Before departure to Washington, prepare the first draft of the report, and provide exit briefing to USAID/Russia.</p>	Russia	<p>May 27- June 9</p> <p>June 11</p>
Analysis, Report	<p>Draft final report design, additional interviews, if necessary.</p> <p>Final report draft submitted to USAID/Russia for comments</p> <p>USAID/Russia reviews and comments final draft</p> <p>Incorporate the comments into the report, finalize and submit to USAID/Russia.</p>	Washington	<p>June 14-18</p> <p>June 21 (due date, 11AM, Moscow time) June 21-22</p> <p>June 23-24</p>

The final report is expected to be submitted to USAID no later than June 24, 1999.

## **VIII. REPORTING AND DISSEMINATION REQUIREMENTS**

The final report will include an overall assessment of the issues listed in the section "IV.Purpose of Evaluation" and will address the questions listed in the section "V.Evaluation Questions".

Other information to be included in the report will be determined in consultation with USAID staff over the course of the evaluation.

The final report electronic version in MS Word on a diskette and 5 hard copies will be submitted to USAID/Russia. The structure and format of the report will be proposed by the evaluator and approved by the Evaluation Coordinator at the beginning of the evaluation. The evaluation report will primarily be for internal use by USAID project management and ENI/UDH in USAID/Washington. It may, at USAID's determination, be disseminated to outsiders.

## **IX. TEAM COMPOSITION AND PARTICIPATION**

The evaluation will be carried out by a two-person team of experts and one support staff person who will serve as an interpreter and logistic coordinator. Experts in the team will

be outside hired consultants, with one of whom acting as team leader. The field work might be supplemented by USAID Mission staff, as available. The members of the team are as follows:

- Team Leader: Responsible for coordinating and directing the reporting effort, including preparation and submission of the draft and final report. The incumbent should have extensive overseas program evaluation experience, including USAID experience, preferably in the ENI region. He/she must be thoroughly familiar with techniques of program appraisal. As team leader, the incumbent should possess excellent organizational and team-building skills.
- Housing and Urban Development Specialist: Must possess both overseas and evaluation experience and be familiar with USAID programs in housing and urban development sectors. This consultant should have a combination of consulting experience that includes urban development, housing and infrastructure finance and tariff regulation. This person should also be familiar with the role that both federal and local governments, non-governmental organization, communal services providers and financial institutions play in the development of a strong housing sector.
- Interpreter and Logistic Coordinator: He/she should have a knowledge of terminology related to housing and urban development. He or she will translate conversation between the evaluation team and Russian-speaking program participants, as well as any Russian language documents provided to the evaluation team. Experience in simultaneous translation is desired. This person will be also responsible for all necessary actions as a Logistic Coordinator (i.e. schedule, meetings arrangement, tickets, etc.).

## **X. BUDGET**

The current Grant Agreement does not budget funds for an evaluation. PD&S funds will be used to fund this evaluation. Team members from USAID if necessary will be funded from their contracts.

An estimated budget for this evaluation is attached.

## Annex B

### List of Interviewees

#### **Moscow**

##### Gosstroï

Anvar Shamuzaïarov  
Sergei I. Kruglik

Chairman  
First Deputy Chairman

##### City Duma

Gennady B. Lobok

Deputy (former Manager of District Unified  
Customer Service)

##### City Coordination and Analytical Administration

Michael F. Kamensky

Deputy Head of Administration

##### Agency for Mortgage Lending

Roger K. Lindland  
Grigoriï V. Litvinov

AHML Consultant for the IFC

##### Standard and Poor's

Cynthia Stone

Director, Moscow Office

##### Institute for Urban Economics

Nadezhda B. Kosareva  
Alexander S. Puzanov  
Marina D. Shapiro  
Margarita V. Pinegina  
Andrei Yu. Tkachenko  
Georgii I. Zadonskii  
German Yu. Vetrov

President  
Executive Director  
Project Manager  
Project Manager  
Project Manager, Real Estate Finance  
Project Director, Legislative  
Project Manager, Municipal Economic Devel.

##### EA Ratings

Alexei V. Novikov  
Tatiana V. Sukhoruhova

General Director  
Deputy General Director for Administration

##### Russian Guild of Realtors

Konstantin Aprelev

President

##### Troika Dialog

Ruben K. Vardanian  
Oleg Tsarkov

President  
Managing Director, Investment Banking

##### Investment Banking Corporation

Sergei Gandzuk

Head of the Mortgage Department

Sberbank	
Kirill Y. Vasiliev	Head, Mortgage Credit Department
Klisho Y. Dmitrievna	Deputy Head, Mortgage Credit Department
Best Real Estate Company	
Alexander Koplkov	Director
Andrei Ryabinski	
Marina Gorsukova	
Institute for Financial Studies	
Andrei P. Vavilov	Director
Russia Federal Duma	
George A. Medvedev	Staff Assistant: Committee on Property, Privatization and Economics
Russian Ministry of Economy	
Vyacheslav M. Loktionov	Department Head
Fregat (Maintenance Company)	
Valeriy N. Morgunov	Vice President
Arthur Andersen	
Gerald Gaige	Director, Real Estate Consulting
The World Bank	
Adrienne Nassau	Sr. Operations Officer, Washington, DC
Eugene Gurenko	Economist, Washington, DC
Ashot G. Harutounian	Infrastructure Specialist, Project Coordinator,
Marina D. Velikanova	Deputy Director, District Heating Project
Serguei A. Milenin	Operations Officer, Energy Sector
The U. S. Russia Investment Fund	
James B. Cook	Senior Vice President
Konstantin K. Konstantinov	Mortgage Expert
USAID	
Hugh Winn	Housing and Urban Development Advisor
Valentin V. Stobetsky	Housing and Urban Development Project Management Specialist
Rafail Narinsky	Project Management Specialist
Joel Heisey	Housing and Urban Development Advisor, Washington, DC
Sean Walsh	Former Housing and Urban Development Advisor

George Deiken	Former Housing and Urban Development Advisor (telephone)
Quadel Corporation Gene Rizer	Director (Washington, DC)
Urban Institute Ray Struyk Steve Butler Jeff Telgarski	Chief of Party, HSRP I and II Legal Consultant (telephone) (Washington, DC)
Cooperative Housing Foundation Barbara Czachorska-Jones	Senior Housing Advisor for Europe (telephone)
Federal National Mortgage Association (FNMA) Ruth Sando	Formal Director of International Programs
<b>St. Petersburg</b>	
Committee for the City's Property Leonid G. Fridgant	Director, Methodology Department
City Committee for Housing Maintenance Alexander S. Klimenko Valerie Vogachev Alla Suletskaya Tatiana V. Golovko	Former Director, Maintenance Department Former Deputy Director, Maintenance Department Director, Labor and Management Department Director, Computer Center
City Committee for Finance Dmitry N. Kovrizhnyh Edward V. Batanov	Director, State Debt Department Deputy Director
Primorsky District Administration Vladimir V. Strelets	Deputy Chairman
St. Petersburg Bank Vladimir Beznedelny Investments Ekaterina Polyakova	Deputy Director, Department of Bonds and Deputy Director, Department of Banking Services
Industry Construction Bank Dmitry A. Kiselev	Financial Market Services Director
Baltic Financial Agency Olga Augustova	Director, Legal Department

Petrovskiy Commercial Bank	
Marina Kanunnikova	Vice Chairman
Elena Gordeeva	General Manager, Credit Department

## **Novgorod**

City Administration	
Yuri Chermashentsev	Deputy Mayor

City Housing Administration	
Ekaterina N. Sidelnikova	Deputy Chief of Department
Tamara L. Ilyna	Director, Finance and Economic Department
Irina N. Yavorski	Specialist in Housing Allowances
Galina F. Kondrasheva	Specialist in Housing Management and
Maintenance	
Sergei Zorin	Specialist in Condominium Development

City Economy and Finance Committee	
Ekaterina Krasnovidova	Director

Dialog Training Center	
Alexander Zhykovsky	Director
TatianaStovba	Housing Training Programs Manager

Novobank	
Lyubuv N. Masluva	Director of Credit and Economy Department

## **Nizhny Novgorod**

Unified Consumer Service - Kanavinsky District	
Vera Zolotnitskaya	Director

Oblast Housing and Communal Department	
Anatolii I. Timerev	Director
Irina Borovkova	Deputy Director for Condominium Development

City Housing and Utilities Administration	
Marina A. Kutsuruk	Director, Housing Allowances Division

City Economics Department	
Vacheslav D. Molokostov	Director

NBD Bank	
Dmitrii Fedunin	Director of Loan Department

Unitary State Construction Company

Vitalii A. Frolov

Director (also formerly of Oblast Housing  
Department)

Nizhni Novgorod Architectural and Construction University

Igor O. Korobeinikov

Department Head (formerly with N. N. Loan Bank)

**Ryazan**

Zhivago Bank

Tamara Merkushina

Deputy Chairman of the Board

Prio-Vneshtorgbank

Alexander B. Poltavtsev

Loan Department Manager

OAo Regional Center

Igor B. Safonov

General Director

City Administration

Irina Vishniakova

Yurii Nikitin

Nadezhda Astafieva

Deputy Head, Housing Allowances Department

Head, Condominium Development Division

Deputy Director, Unified Customer Service

Irbis (Maintenance Company)

Oleg U. Denisov

Deputy Director



Annex C

USAID/Urban Institute-Russian Federation  
Housing Sector Reform Project

Indicators of Program Impact/Success

*Area: Reform of the Rental Sector--  
Privatization of Housing Maintenance*

Goals	Results
<p><u>1992/1993</u></p> <ul style="list-style-type: none"> <li>– Over 2,000 flats in Moscow's Western Administrative District under private maintenance</li> <li>– Core training curriculum for "owners" developed in Russian and Available for training trainers</li> <li>– Model documents for contracts, Request for Proposals, monitoring instruments, etc., complete and available</li> <li>– Major, national conference to disseminate results of pilot project held</li> </ul>	<p>Objective surpassed. 7,000 units were maintained by private firms; training materials developed and initial course offering conducted; two conferences highlighting the management demonstration were held (May 1992 &amp; October 1993).</p>
<p><u>1993/1994</u></p> <p>No goals defined</p>	
<p><u>1994/1995</u></p> <p>Percentage of Moscow housing stock under private maintenance will increase from 1 percent in 1993 to 20 percent in 1997</p>	<p>170,000 units under private management by summer 1995 or about 8 percent of the eligible (municipal) stock. Moscow Decree # 312-PM, of June 30, 1995, sets mandatory schedule for selection of private maintenance contractors in each Prefecture. Goal surpassed.</p>
<p><u>1995/1996</u></p> <p>100,000 units under private management by summer 1996</p>	<p>Not accomplished. Competition for first 30,000 completed in summer 1997.</p>

<u>Life of project</u> <ul style="list-style-type: none"> <li>40 % of Moscow municipal stock under private management</li> </ul>	30 % (755,000 units) in May 1997 and rate was increasing rapidly; accurate data are not available.
--	--

**Area: Development of Condominiums**

Goals	Results
<u>1992/1993</u> <ul style="list-style-type: none"> <li>Enactment of a general purpose common ownership law in at least some jurisdictions, including the City of Moscow; development of model condominium documentation in the City of Moscow.</li> <li>Establishment with Moscow of an office concerned with condominium affairs</li> </ul>	<p>Objective achieved. The Law on Fundamentals of Housing Policy provides the essential legal basis for condominiums.</p> <p>The City of Moscow created the first condominium ordinance in April 1993; a city office was created shortly thereafter.</p>
<u>1993/1994</u> <ul style="list-style-type: none"> <li>Dissemination of condominium legal infrastructure to other jurisdictions</li> </ul>	<p>Objective achieved. By Presidential Decree in December 1993 a national condominium regulation was created. Cities such as Jaroslavl and Ryazan have registered there first few condominiums and put in place the essential regulations to give them full control over the management of the property.</p> <p>Moscow has registered a few condominiums since early 1994 and created the necessary regulation to transfer full property management to the associations.</p>
<u>1994/1995</u> <ul style="list-style-type: none"> <li>Formation of condominium associations in 20 cities by the end of 1995. 100 cities by the end of 1997. Twenty-five percent of the privatized housing stock in each city in condominiums by 1998.</li> </ul>	<p>Accomplished.</p>

<u>1995/1996</u>  -- Condominium associations in 100 cities at the end of 1996	Comprehensive data not available but suggestive information goal may not have been accomplished.
<u>Life of Project</u>  Formation of condominiums in 100 cities by the end of 1997, and 25 % of privatized housing in condominiums by the end of 1998.	1997 goal accomplished; 1998 goal unlikely to be accomplished but comprehensive data are lacking.

**Area: Combined Action Program in the *Regions*, 1996-1997**

Goals	Results
<i>Saint-Petersburg</i> -- Condominiums registered: 20 or more.  -- Maintenance competitions held: 2  -- Condominium training: Board of directors: 2 Management: 2	Goal met.  1 held; goal not met.  only one training for managers held; goal not met.
<i>Nizhny Novgorod, Vladimir, Ryazan</i> -- Condominiums registered: 10 or more in each city.  -- Maintenance competitions held: 2 or more in each city.  -- Condominium training: Board of directors: 2 Management: 2	Goal met.  Goal met.  Only one of each in Vladimir and Ryazan; goal not met.
<i>Regional Centers</i> (4 Centers; goals for each)  -- Condominiums registered: 5 or more in each of three cities in the region covered by the Center.  -- Maintenance competitions held: 1 or more in each of three cities covered by the Center (Irkusk excluded)	Goal met in all regions.  Goal met in 2 of 3 regions.

<ul style="list-style-type: none"> <li>Condominium training*: Board of directors: 2 Management: 2</li> </ul>	Goal met where more than 25 condominiums were registered.
--	---

- \* Goal only applies when at least 25 condominiums were registered in a city.

### Area: Mortgage Lending

Goals	Results
<u>1992/1993</u> <ul style="list-style-type: none"> <li>Formal establishment of mortgage subsidiary by Mosbuisnessbank (MBB), as a concrete step in preparing for lending.</li> </ul>	<p>Objective surpassed. MBB elected not to create a subsidiary for sound financial reasons; the bank is moving energetically to initiate mortgage lending in 1994, based on major TA to the bank. Several other banks have been assisted and a successful seminar series held. An Association of Mortgage Banks has been established and possible formal cooperation between the HSRP and the Association being negotiated.</p>
<u>1993/1994</u> <ul style="list-style-type: none"> <li>Initiation of financially responsible mortgage lending, economic conditions permitting.</li> </ul>	<p>Objective achieved. MBB initiated mortgage lending—using a dual rate mortgage and loan servicing software developed by the project—to staff members in May 1994; broader lending is expected by the year's end.</p> <p>Several other banks are likely to begin lending by the end of the year using the same product.</p> <p>Cooperation with the Association of Mortgage Banks established. Training courses offered in February (2) and June (1). A full program now under development, with four more courses to be taught in 1994.</p>
<u>1995/1997</u> <ul style="list-style-type: none"> <li>Market -rate mortgages accessible to the public through 15 Russian banks by 1997.</li> <li>Establishment of a financially sustainable mortgage training program by 1997.</li> </ul>	<p>Accomplished.</p> <p>Accomplished. Institute for Urban Economics is offering the Certified Mortgage Lender Course.</p>

<ul style="list-style-type: none"> <li>-- One or two banks added in each regional center not previously served and they will begin mortgage lending operations.</li> <li>-- The Institute for Urban Economics will develop enhanced housing finance training programs.</li> <li>-- A full cycle of courses offered in the Certified Mortgage Lender training and initial graduates certified.</li> <li>-- Two banks making pilot building rehabilitation loans to condominium associations.</li> </ul>	<p>Accomplished.</p> <p>Accomplished.</p> <p>Accomplished.</p> <p>Not accomplished.</p>
<p><u>Life of project</u></p> <ul style="list-style-type: none"> <li>-- Mortgage lending equivalent to 30-50% of the volume of other countries with similar levels of development (GDP per capita) and financial system development.</li> </ul>	<p>Not accomplished based on limited data available*</p>

\* The Central Bank of Russia collects no information on the extent of mortgage lending.

#### ***Area: Development of Legal Infrastructure***

<b>Goals</b>	<b>Results</b>
<p><u>1992/1993</u></p> <ul style="list-style-type: none"> <li>-- Property rights -- enactment of clear legal guidelines for property rights, including fee ownership of land and structures for housing and commercial uses.</li> <li>-- Mortgage law -- enactment of administrative regulations for implementation of the Law on Collateral.</li> </ul>	<p>Objectives partially accomplished. Major clarification of property rights was achieved in the amendment of Article 11 of the constitution and the Law on Fundamentals of Housing Policy. However, some ambiguities remain.</p> <p>Regulations were not issued. The Law on Mortgage, which would very substantially refine the provisions of the Law on Collateral, was passed in 1997 but vetoed by the President. A conciliation commission of representatives of the Government, the State Duma, and the Federal Council has been appointed.</p>

<ul style="list-style-type: none"> <li>- Housing finance – discussion/explication of legal structure for government role in the national system of housing finance</li> </ul>	<p>Presidential Decree issued in 1993 that laid out structure of housing finance system.</p>
<p><u>1993/1994</u></p> <ul style="list-style-type: none"> <li>-- Mortgage law – introduction of standardized mortgage loan agreements on a demonstration basis</li> <li>-- Housing finance – enactment of general laws in housing finance</li> </ul>	<p>A series of Presidential Decrees has further strengthened property rights, particularly in the residential area. But the Land Code has still not been passed by the Duma.</p> <p>Several Presidential Decrees were issued which establish the basic structure of the housing finance system, replace home purchase interest rate subsidies with downpayment subsidies, and clarify the type of housing lending banks can do.</p>
<p><u>1995/1996</u></p> <ul style="list-style-type: none"> <li>-- Enactment of legislation clearly establishing private property rights, including fee-simple ownership of land and structures and for housing and commercial users by the end of 1996.</li> <li>-- Enactment of a law on condominiums by the end of 1995.</li> <li>-- Enactment of enabling housing finance legislation, including the law on mortgage by the end of 1997.</li> <li>-- Establishment of a policy or law at the national level mandating real increases in tenant payments for maintenance and communal services by the end of 1995.</li> </ul>	<p>Rights generally established: single family housing and condominium are entitled to fee simple land ownership.</p> <p>Passed in December 1995; vetoed by the President; passed again and signed in June 1996. Accomplished.</p> <p>Law on Mortgage vetoed and now under negotiation by a joint Executive and Duma conciliation commission. Goal not accomplished.</p> <p>Done.</p>
<p><u>1996/1997</u></p> <ul style="list-style-type: none"> <li>-- Passage of the Urban Planning Code by the summer of 1997.</li> <li>-- Establishment of the Agency for Mortgage Lending by January 1997.</li> </ul>	<p>Done.</p> <p>Agency established by legislation in August 1996 and registered in September 1997. Goal accomplished.</p>

<p><u>Life of project</u></p> <ul style="list-style-type: none"> <li>-- Mortgage law -- widespread dissemination and use of standardized loan documentation</li> <li>-- Housing finance -- commencement of public initiatives in housing finance, such as mortgage insurance, second sales of mortgages</li> </ul>	<p>Agency for Mortgage Lending created to address both points will be operating by the end of 1997.</p>
--	---

**Area: Reform of the Rental Sector--  
Rent Reform and Housing Allowances**

Goals	Results
<p><u>1992/1993</u></p> <ul style="list-style-type: none"> <li>-- Presidential Decree or law passed by Supreme Soviet (and similar action by the City of Moscow) mandating real increases in tenant payments for maintenance and communal services and implementation of a housing allowance program.</li> <li>-- Depending on when legislative action occurs, some progress on preparing for implementation.</li> </ul>	<p>Objective surpassed. The Law on Fundamentals of Housing Policy mandates increases in rent payments to cover full operating costs over a 5 year period; housing allowances are mandated for all units under social contract. Issuance of necessary regulations is expected in September and implementation to begin in January 1994.</p> <p>The City of Moscow, with team assistance, made major strides in preparing for housing allowances; actual implementation in 1994.</p>
<p><u>1993/1994</u></p> <ul style="list-style-type: none"> <li>-- Implementation of the program.</li> </ul>	<p>Objective achieved on national scale. Necessary regulations were issued in September 1993 and national implementation began January 1994. City of Moscow initiated rent increases and its allowance program in August 1994.</p>
<p><u>1994/1995</u></p> <p>Rents for municipal housing at least 80 percent of full operation costs (nationwide average) by the end of 1998.</p>	<p>In most regions of the country, rents reached 40 percent of the normatives for full operating costs by mid-1995. Since normatives are higher than actual expenditures, actual cost recovery is likely in the 50-60 percent range.</p>

<p><u>Life of project</u></p> <ul style="list-style-type: none"> <li>- At a minimum rents at or approaching full operating costs; at a maximum covering full costs, including allowance for depreciation and capital costs.</li> <li>- Housing allowance system fully functional.</li> <li>- Some households are relocating within the social housing stock, shifting their housing vouchers when they move.</li> </ul>	<p>Not accomplished. Rents covering 50-65% of actual operating costs. Legislation passed in 1996 extending target date for full cost recovery to 2003.</p> <p>Accomplished.</p> <p>Accomplished; documented in Moscow.</p>
---	--

*Area: Other*

Goals	Results
<p><u>Land Allocation and Regulations</u> <u>1994/1995</u></p> <ul style="list-style-type: none"> <li>- Successful allocation of land through a tender process in two cities by the end of 1995</li> </ul>	<p>Tenders on commercial and residential plots held in two cities but failed. However, legal documents developed and experience gained were instrumental in later successful World Bank tenders and subsequent issuance of federal regulations. Goal not accomplished.</p>
<p><u>Housing Codes</u> <u>1994/1995</u></p> <ul style="list-style-type: none"> <li>- Stage One code adopted and implemented in Moscow in 1995 and in two other Subjects of Federation by summer 1996.</li> <li>- Through the national training center established in Moscow, train professional inspectors and inspection function supervisors from twenty cities in performing and administering housing code inspections and enforcement procedures by the end of 1996.</li> </ul>	<p>Accomplished. Note that "stages" approach has been replaced by drafting of single code that may be revised (made more stringent) in future. The code, as drafted, identifies the areas to be given priority in the next two years; these are basic maintenance items and it is highly realistic to expect all buildings to be in compliance.</p> <p>Accomplished by Moscow Office of Housing Inspection.</p>



Overall, performance was extremely strong even though the indicators were set quite aggressively in general. Forty-four of the 53 goals established and for which outcomes could be reliably measured were accomplished. Four of the goals not met were in the Regional Centers program under which the team had a calendar year to induce at least three cities in each of the four regions to hold their first maintenance competition--one region failed and one region was exempted from the goal because of the diversion of staff resources, with USAID concurrence, to work in new pilot reform cities designated under a Presidential Decree. The other regional goals not met were providing a second offering of courses for condominiums, when it was the team's judgement that there was insufficient demand for them. Two missed goals also resulted from lack of action on key legislation and a Presidential veto of the Law on Mortgage--both obviously beyond control of the HSRP team. On the other hand, performance was particularly strong in mortgage lending and rent reform where seven of eight and six of seven goals, respectively, were achieved.

**Table 3.2**  
**Summary of Accomplishments in Meeting the**  
**Performance Standards**  
**(number of goals)**

area	goals achieved	goals not achieved	necessary data not available
Reform of the Rental Sector: Privatization of Housing Maintenance	2	1	1
Development of Condominiums	4	—	2
Combined Action Program in the Regions, 1996-97	14	4	—
Mortgage Lending	7	1	—
Development of Legal Infrastructure	11	2	—
Reform of the Rental Sector: Rent Reform and Housing Allowances	6	1	—
Overall	44	9	4

#### Other Measures

This section briefly reviews four further indicators of the project's productivity: (1) the number of reports, guidelines, etc. produced, (2) the number of seminars in which the team participated or organized, (3) the creation of a home page by the Institute for Urban Economics, and (4) the number of study visits organized by the team or with its cooperation.

**Table 2.1**  
**USAID/Urban Institute-Russian Federation**  
**Housing Sector Reform Project II**

**Indicators of Program Impact/Success**

*Area: Enterprise Divestiture &  
Supporting Housing Reform in the Regions*

<i>goals</i>	<i>results</i>
<u>1995-1996</u>  1. promotional materials for unit privatization in former enterprise housing will have been developed and implemented;  2. establish a minimum of five condominium associations in former enterprise housing in each target location;  3. competitively let contracts will have been issued for maintenance and management services;  4. training and support to private maintenance and management firms and condominium associations as stimulated by the divested housing units is being provided by qualified local institutions.	accomplished  accomplished in 2 of 4 cities: Nizhni Novgorod (10 of 45 total), Ryazan (6 of 38), Vladimir (0 of 11), Moscow (2 of 36)  accomplished  accomplished in 2 cities; was accomplished in other 2 by 12/96
<u>1996-1997</u>  <i>1. Saint Petersburg</i> -- Condominiums registered: 20 or more -- Maintenance competitions held: 2 -- Condominium training: 1 <sup>4</sup> Board of directors: 2 Management: 2  <i>Nizhny Novgorod, Vladimir, Ryazan</i> -- Condominiums registered: 10 or more in each city. -- Maintenance competitions held: 2 or more in each city -- Condominium training: Board of directors: 2 Management: 2  <i>3. Regional Centers</i> (4 Centers: goals for each) -- Condominiums registered: 5 or more in each of	Goal met. 1 held; goal not met/ only one training for managers held; goal not met  Goal met. Goal met.  Goal met.  Goal met in all regions.

<sup>4</sup> Second training was done within the next two months.

<p>three cities in the region covered by the Center.</p> <p>-- Maintenance competitions held: 1 or more in each of three cities covered by the Center (Irkutsk excluded)/</p> <p>-- Condominium Training: Board of directors:2 Management: 2</p>	<p>Goal met in 2 of 3 regions.</p> <p>Goal met where more than 25 condominiums were registered.</p>
<p><u>1997-1998 -- 14 pilot &amp; EHDP cities</u></p> <p>A. <i>All Cities</i></p> <p>1. Rent reforms: implement the payment scheme in Government Resolution N.707 and approximately keep pace with GOR standards on rent increases</p> <p>B. <i>Advanced Cities:</i> Nizhni Novgorod, Novgorod, Yaroslavl, Petrozavodsk, Cherepovets, Samara, Novocherkassk, St. Petersburg, Vladimir, Ryazan, Volhov, Orenburg<sup>5</sup></p> <p>1. a minimum 30% increase in the number of condominiums to achieve critical momentum in the formation of such associations to improve housing management and strengthen democratic grass root organizations</p> <p>2. expand competitive maintenance to cover an additional 5% of the municipal housing stock</p> <p>C. <i>Second-tier cities:</i> Tobolsk, Kazan, Ulyanovsk, Nalchick, Magadan, Kansk</p> <p>1. create necessary local normative base and create 2 new condominiums</p> <p>2. create "customer service" and hold at least one competition to select maintenance firm</p> <p>3. preparation of a normative document to guide the city's housing reform program.</p> <p>For the Moscow management initiative:</p> <p>Successful operation of the contractor during the year and acceptance by the City</p>	<p>Goal met by 13 of 18 cities.</p> <p>Goal met by 10 of 12 cities.</p> <p>Goal met by 6 of 12 cities.</p> <p>Goal met for 5 of 6 cities.</p> <p>Goal met for 4 of 6 cities.</p> <p>Goal met for 5 of 6 cities.</p> <p>Goal accomplished: competitively selected contractor took over 30,000 units July 1, 1998; model being replicated.</p>

<sup>5</sup> Some cities are not in the "advanced" category in all aspects of housing reform. For the specific areas where reform has lagged in the city progress will be measured against the standard cited for "second tier" cities.

**Area: Mortgage and Construction Period Finance**

<b>goals</b>	<b>results</b>
<p><u>1995-1996</u></p> <p><i>Assistance to banks</i></p> <ol style="list-style-type: none"> <li>1. a standardized set of documents for construction lending procedures and appropriate construction lending instruments should be available for dissemination;</li> <li>2. procedures are in place and staff trained at 5 banks to initiated construction loans and at 10 banks to initiate mortgage loans;</li> <li>3. at least one institution offering a course in construction lending training.</li> </ol> <p><i>Assistance to developers</i></p> <ol style="list-style-type: none"> <li>4. One institution or professional association offering a course on construction finance lending;</li> <li>5. A "How to" manual for construction finance loan applications developed for use by developers;</li> <li>6. Six projects prepared and loan applications submitted to interested banks.</li> </ol>	<p>accomplished</p> <p>accomplished</p> <p>accomplished: Institute for Urban Economics</p> <p>accomplished: Russian Guild of Realtors</p> <p>accomplished</p> <p>accomplished: 9 submitted</p>
<p><u>1996-1997</u></p> <p><b>Mortgage finance</b></p> <ol style="list-style-type: none"> <li>1. 1 or 2 banks initiating mortgage lending added in each regional center not previously served by the project</li> <li>2. IUE develops enhanced housing finance training programs</li> <li>3. A full cycle of courses offered in the Certified Mortgage Lending Program</li> <li>4. Two banks making pilot building rehabilitation loans to condo associations</li> </ol>	<p>accomplished</p> <p>accomplished</p> <p>accomplished</p> <p>not accomplished<sup>6</sup></p>

<sup>6</sup> Such lending was successfully initiated in a USAID supported project conducted by the Cooperative Housing Foundation in Tver. The project had the distinct advantage of having inexpensive funds to offer to banks making such loans. At one point it appeared that CHF would be able to use its funds for loans in one of the HSRP cities, but this turned out not to be possible.

<b>Construction period finance</b>  1. Five banks making loans; banks will be from both Moscow and the regions  2. Dissemination of information through Russian Society of Appraisers & other appraisal and bank organizations	accomplished  accomplished
<u>1997-1998</u>  Creation of the <i>Agency for Mortgage Lending</i> : The Agency will purchase its first loans by the spring 1998 and issue its first securities by the summer of 1998.	Not accomplished: first loan purchased in September, and the securities issue is expected in November/

*Area: Infrastructure Finance and Regulation*

<i>goals</i>	<i>results</i>
<u>1995-1996</u>  <i>Assistance to municipalities</i>  1. pilot projects regarding local activities to be subject to long-term financing and tariff reform specified and analyzed in each of six municipalities;  2. long-term financing mechanisms for pilot projects identified and agreed to by two municipalities;  3. tariff reform packages discussed in at least two municipalities.  <i>Assistance to developers</i>  4. one institution offering a course or segment on alternative approaches to private sector participation in infrastructure finance;  5. Case studies and training materials and a section of a "how to" manual covering public-private partnerships.	accomplished  agreements with three cities: Nizhni Novgorod, Pskov, and Sudogda Raion (Vladimirskaya Oblast)  discussed with 5 cities but cities expressed little interest  segment of course; Guild of Realtors  accomplished
<u>1996-1997</u>  1. municipal projects analyzed in 2-3 cities  2. publications disseminated on: legal aspects of taxation of municipal bonds; guidelines on long-term infrastructure finance; and, "how to" manual on long-term finance infrastructure	accomplished  accomplished

projects	
<u>1997-1998</u>  1. At least 4 cities will have developed financially feasible infrastructure projects, with private sector participation and identified market mechanisms to finance such projects.  2. New procedures for analyzing and deciding upon tariff requests from municipal water and heat utilities implemented in at least two cities.	Nizhny Novgorod (Ozonation station) Volgograd (Heating station) Dzerzhjinsky (Water purification)  Gus-Khrustalny Uglich Nadya

*Area: Housing and Land Policy*

goals	results
<u>1995-1996</u>  1. development of specific legal and regulatory documents in support of market-oriented privatization of shelter development process;  2. creation and dissemination of model documents or regulations for adoption by other local authorities throughout Russia.	accomplished: numerous national and local level laws and regulations enacted  accomplished: model land lease agreement; mortgage documentation; condominium charter, acts dealing with condominium registration, transfer of buildings to balance of building, continuation of subsidies.
<u>1996-1997</u>  1. Passage of the Urban Planning Codex by the summer of 1997  2. Establishment of the Agency for Mortgage Lending by January 1997	accomplished  accomplished: legal basis created in August 1996; Agency registered as an open joint stock company in September 1997
<u>1997-1998 (life of project)</u>  Policy, laws and regulations regarding land tenure, property transfer, urban planning and zoning, infrastructure development and shelter will have been formulated, debated and/or adopted at the national or local level as may be appropriate.	accomplished

*Area: Institutionalization*

goals	results
<u>1995-1996</u>	

training courses related to activities at the initial project sites are available.	generally accomplished. Courses on mortgage, construction period, and infrastructure finance, implementation of maintenance competitions and creation of condominiums offered by national organizations. Courses on training of managers for condominiums available in 2 cities at end of first year; in all cities 3 months later.
<u>1996-1997</u> 1. Russian staff capable of continuing all of previous year's activities 2. Training courses related to activities in additional project sites available 3. Training to build capacity for a team of Russian staff/ organization able to extend this program to other geographic regions is available	accomplished accomplished accomplished
<u>1997-1998</u> Year-on-year 100 percent increase in IUE funding from sources other than contracts with the Urban Institute	accomplished

*Area: Small Grants Program*

<i>goals</i>	<i>results</i>
<u>1995-1996</u> None defined.	
<u>1996-1997</u> 1. Complete second round of small grants program 2. transfer basic administration to local organization	accomplished accomplished; IUE
<u>1997-1998</u> Successful competition for 3rd round of grants	accomplished

**Table 2.2**  
**Summary of Accomplishments in Meeting the**  
**Performance Standards**

<i>area</i>	<i>total goals</i>	<i>goals achieved</i>
-------------	--------------------	-----------------------

## **Annex D**

### **CARANA's Evaluation Team Members**

**Ken Kopstein:** Mr. Kopstein served as team leader for the HSRP evaluation. He has had over 25 years experience in housing development, management and finance as a senior executive and consultant. Internationally, Mr. Kopstein has had numerous consulting assignments, including: a) advisor to a national housing NGO in Poland on developing a business plan to achieve sustainability after the conclusion of its USAID contract, b) preparation of an analysis and organization structure for a secondary mortgage market in the Eastern Caribbean, c) technical director on a long-range development plan for Luxor, Egypt and d) financial expert on preparing a long-range plan for Chiang Mai, Thailand. He has been a long-term advisor, serving as: a) Housing and Urban Development Advisor for USAID/Jamaica, where he developed an innovative cross-subsidy program for a 1,400 mixed-income housing community and was the technical advisor on restoration of downtown Kingston, and b) Housing Finance Advisor to the Government of Botswana, where he prepared extensive housing and mortgage demand analyses and a program to meet projected mortgage demand. In the United States, Mr. Kopstein served as: a) president of a bank subsidiary conducting real estate syndication nationwide and was intricately involved in creating financing structuring with the use of tax-exempt municipal bonds, b) vice-president of a major regional real estate company, where he was responsible for financing large-scale condominium, cooperative and rental housing developments, c) general manager of a 1,600-unit cooperative housing community, where he led a nationally-recognized renovation program and was responsible for structuring a unique private sector / U.S. Government financing package that resulted in substantial below-market interest rates and d) assistant director of a university institute on real estate, which also provided advisory services to local governments statewide on urban growth economics. He has been a licensed real estate broker and mortgage broker. Mr. Kopstein holds a Master in City Planning degree from Harvard University and was a Ford Foundation Fellow at the Housing Specialist Institute. He is a member of the American Institute of Certified Planners and held designation as a Certified Property Manager.

**Daniel S. Coleman:** Mr. Coleman has more than 30 years experience as an international consultant, specializing in housing development, management and financing. He has undertaken short- and long-term consulting assignments in over 40 developing countries in Latin America, Africa, Asia, the Middle East and Europe. Included among those countries are the former centrally planned economies of Russia, Poland, Armenia, Kazakhstan, and Mongolia. Mr. Coleman has also worked as a housing developer and consultant in the U. S., most recently in the development of Low-Income Housing Tax Credit projects. He is fluent in Spanish and somewhat fluent in French.

**Larisa Afanasieva:** Ms. Afanasieva is a real estate consultant. A graduate of Moscow State University with a major in Economic Cybernetics (1980), she is currently Deputy Director of the Center for Real Estate Analysis, a real estate research firm participating in assistance projects to develop real estate market operations in Russia. During the last five years, she has worked in several USAID and World Bank projects to assist in creating private land rights, property appraisal systems, implementing registration of real estate



rights, and develop the mortgage system in Russia. Ms. Afanasieva is a member of the Russian Society of Appraisers and is a Certified Real Estate Appraiser. She is fluent in English.

**Nicholas V. Chitov:** Mr. Chitov has more than seven years experience in mortgage lending and investment banking. He worked for Russian banks such as MENATEP and Interprombank (based in Moscow) as well as for foreign companies such as Merrill Lynch Investment Bank based in London. In 1997-98, he developed a business plan for 'Mortgage Lending Agency'\*, Russia's State Agency that aids in the securitization of mortgages. Also, Mr. Chitov acted as a financial advisor to the "World Trade Centre", one of Russia's largest business centres. He prepared underwriting (public offering) and restructuring documentation for this organization. He qualified as a registered representative of the Russian Securities Futures expert. He graduated from the University of London, Imperial College (UK) with a Master of Business Administration (Finance).

## **Annex E**

### **Analysis of Russian Economic Conditions**

#### **General background**

Russia is a federal state with a republican form of government. The constitution created a two-chamber legislature: the Lower House (the State *Duma*) and the Federation Council. One-half of the members of the Duma are elected from a party list, and the other half in a simple majority vote. The Federation Council is composed of heads of regional executive and legislative bodies.

The current president is Boris Yeltsin. The government is headed by the Prime Minister, now V. Putin. There have been five governments during the past 17 months, led by the following Prime Ministers:

V.Chernomyrdin - until March 1998 ( until the Asian crisis)  
S.Kyrienko - March-August 98 (during the short-term debt default)  
Y.Primakov - August 98 -May 99 (legislative/executive consensus PM)  
S.Stepashin - May - August 99  
V.Putin - August 99 – Present

For more than ten years Russia has been in transition from central planning economy to a free market. During this time the Russian government has become progressively unstable due in part to the country's attempt to change simultaneously its political structure and its economic orientation. Private property was introduced in 1990, and privatisation started in 1992. There has been enormous inflation. From December 1991 the Consumer Price Index increased by 25 times by the end of 1992, by 207 times by the end of 1993, and by 430 times by the end of 1994. Inflation declined somewhat in the 1995-1997 period (Table 2), and the interest rate on treasury bills (GKO) declined to 27% in ruble terms before the Asian crisis in October-November 1997. There are some signs of stabilisation, however it is clear that the Russian economy remains very vulnerable.

#### **Economic background**

The Russian economy since 1992 can be characterised as follows:

- Negative economic growth in every year but 1997.
- High inflation
- Large indebtedness, particularly the growing short-term debt;
- Poor financial supervision, particularly in the banking industry, coupled with growing and unhedged foreign banking debts;
- Private sector indebtedness that allowed excessive investments in certain industries leading to a bubble in asset prices
- Government budget deficits, leading to diminishing trust in government policies;

- A considerable increase in short-term foreign debt (more dangerous than long-term inflows and direct equity inflows);
- Government attempts to maintain an unrealistic exchange rate.

The Asian financial crisis affected the Russian economy and contributed to Russia's severe crisis August 1998. (See Table 1 below). In that year, the Russian economy declined by 4.6% while GDP per capita was only \$1,900.

**Table 1**  
**A Comparison of Selected Russian and U.S. Data, 1998**

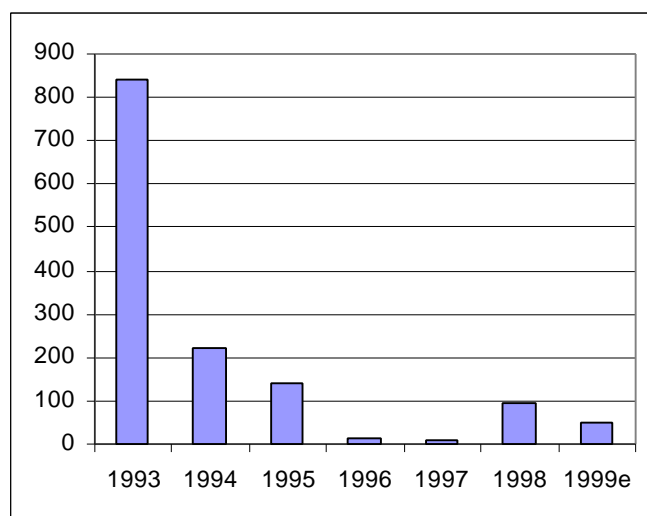
	RUSSIA	THE US
Population, m	146	270
GDP, \$bn	277	8511
CPI, %	27.8	1.6
Current account balance, \$bn	2.4	-233.4
Federal budget balance, as % of GDP	-4.9	0.8
Total external debt, \$bn	145	4826
Reserves exc. Gold, \$ bn	7.8	65
Main trade partners Share of export (import) out of total is around or more than 4%)	Ukraine, Germany, Belarus, the US,	Canada, EU, Japan Mexico, UK, Germany, China
Equity market capitalisation, \$bn	8.5	10914

*Source: EIU, Merrill Lynch, 1999*

The growing "brain drain" in Russia contributed to as well as reflected on the serious economic situation. The latest World Competitiveness Year-book from IMD, a Swiss business school, ranks countries in terms of "brain drain" by the likelihood of the well-educated staying in the country. (The scale used is 1 = most likely to leave, 10 = most likely to stay). Because of the country's economic turmoil, Russia's score on this index was 1.9. For example, 920,000 well-educated people left Russia to live in Israel between 1991 and 1997, which equalled 17% of the population of Israel at that time.

According to National Statistics Office, *Goskomstat*, the labour market remained predictably depressed after the crisis. Real wages declined about 35%, although in the April-June 1999 period, wages grew faster than inflation. Unemployment reached 14.1% of the workforce in February 1999 compared to 11.2% in the end of 1998. About 35% of the population in first quarter 1999 lived on incomes below Ru 950 (about \$40) per month, which was the official subsistence level at the end of June 1999.

Table 2. Russia; Inflation, %.



Source: Troika Dialog, Russian Investment bank, 1999

Inflation for the first quarter of 1999 alone was 24.5%, but it is declining monthly. Inflation is now expected to be around 50% for all of 1999 and will probably continue to decelerate in 2000.

An eclectic economic model and an absence of a long-term government economic program have discouraged the development of the domestic real economy. Owners of enterprises and foreign and domestic investors have no incentive to expand their companies in the long run. Without more direct investments in Russia and positive economic growth, financial stability will not be achieved.

## Monetary policy

### Short-term rates

In 1998, Russia monetary policy led to the issuance of short-term financial instruments at interest rates exceeding 100%. This policy boosted “hot” money inflows, but obviously not the kind of long-term foreign direct investment that the Russian economy really needed. Furthermore, it also discouraged foreign and domestic investment in the economy and hampered GDP growth.

### Structure of the government investments

In 1997, long-term loans constituted only 2-3% of total investments in the Russian economy, which again reflected the speculative nature of money in the Russian economy before the crisis. A disproportionate share of funds was invested in Moscow. For example, at the beginning November 1997, 42% of all assets in Russian commercial banks, more than 90% investments in GKO market, and more than 80% the commercial bank notes were held in Moscow.

To give a better understanding of the investment problem, the Russian Ministry of Economy estimated in 1996 that the nation needs \$200 bn to restructure its economy.

## **Fiscal policy**

### *Budget policy*

The fiscal deficit and the unsustainable reliance on external short-term treasury obligations to cover that deficit were one of the main causes of the Russian crisis in 1998. These fiscal deficits had been sustainable during the two previous years, but eventually the bubble burst, exacerbating further the balance of payment situation.

During the 1996-1998 Russia maintained a budget deficit. Even so, government spending programs did not contain provisions for long-term investments. For example, the share of long-term investments in the Russian government budget before the crisis was around 5%, whereas in Korea it was more than 20% and in Indonesia exceeded 40%. Nor did the government revenues benefit from a rising securities market and from foreign portfolio investments that exceeded \$45 bn in 1997 due to the favourable tax treatment for some investments.

### *Taxation*

In general, tax revenues are insufficient. The tax code does not provide for the taxation of gains on security market investments such as treasury bills and Russian equities. There is little tax collection from enterprise profits due to a complicated and antiquated tax system. Small and medium enterprises are able to avoid paying taxes. Tax evasion is rampant. Nevertheless, since 1992 tax revenues have constituted 33-40% of GDP in Russia, which, in itself, is a serious economic constraint. For example, tax revenues as a percentage of GDP in the Asian countries are around 14-24%. Russian tax policy is counter-productive to boosting the Russian economy. On the other hand, the sharp increase in the price of oil has helped Russian authorities to increase overall tax receipts.

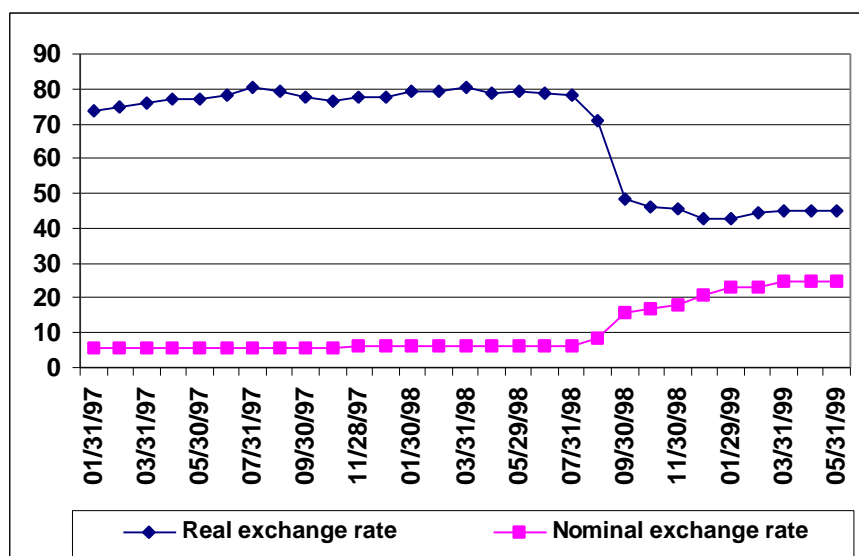
## **Other Issues**

### *Large foreign debt (Soviet and Russian).*

In 1998 the debt level and debt service payments were high and rising, while GDP was falling. Domestic debt at August 1998 reached \$70 bn. While short-term debt in itself was not a serious impediment in the Russian economy, the combination of short-term debt and a fixed exchange rate made the economy quite vulnerable. In addition, using short-term government debt to finance the budget deficit made the situation even worse.

## Competitiveness

The Asian financial crisis coupled with the appreciation in real exchange rates resulted in a deterioration of Russian competitiveness. Foreign goods actually became much cheaper than Russian goods after the Asian crisis hit. The Russian rouble came under pressure in late October and November 1997 as this crisis intensified. Yet the government only allowed the rouble to fluctuate within a 15 % band on either side of a yearly adjusted central line pegged at 6.2 rubles per US\$ during 1998-2000. Insofar as this was not feasible, the real exchange rate appreciated which had a major effect on Russian exports and imports, and accordingly on the current account deficit. Exchange rates in Russia between 1997 and 1999 are shown below:



Source: *Russian economic trends, 1999*

The Government needed to cover its current account by either equity investments or by debt, preferably long-term. Yet, the existing huge burden of foreign debt made it more difficult to finance the current account imbalance, which appeared in the first and second quarters of 1998. While large foreign reserves could have eased the deficit problem, especially when Russia was pegging its exchange rate to the US Dollar, the nation's foreign exchange reserves were relatively small. In fact, the foreign debt was \$14 bn while dollar reserves were only \$11 bn. Accordingly, Russia faced a large and systemic financial crisis.

## **Systemic crisis in Russia.**

To summarize, there are three types of crises in Russia.

### Domestic federal debt crisis

- Out of control government short-term borrowing;
- Inability to repay short-term government debt in 1998;
- Investor divestiture of their investment portfolios.

### Currency crisis

- Insufficient foreign exchange reserves;
- Devaluation of the ruble;
- Failure of the fixed exchange rate.

### Banking crisis

- borrowings in US\$, investments in rouble denominated government T-bills;

Russian banks had few investments in and dealings with the real economy. Few people had bank savings accounts and lending was minimal. Moreover, Russia's banking sector was relatively small, particularly in comparison with Asian banks. Therefore, while harmful, the 1998-1999 recession was not as deep as expected.

### Private investments (structure and direction)

In general, investments were not productive because they did not generate any return to the real economy and did not boost GDP growth. Portfolio foreign investments (mainly foreign capital private inflows as "hot" money) were not directed to productive sectors of the economy. Taxes were not collected from these markets in that government Treasury Bills were free of taxes and share trading companies were usually offshore. Therefore, foreign portfolio inflows were not productive and rather created a bubble in the prices of Treasuries and equity assets.

Low foreign direct investment probably reflected both a lack of government and "oligarch" desire for such investments as well a lack of investment tax incentives. Foreign direct investments were only \$6 bn in 1997, whereas foreign portfolio investments were \$45 bn. In addition, Russian capital estimated at around \$25 bn fled abroad in 1997 due to a lack of confidence resulting from the political and economic instability.

In spite of the presence of some foreign investment banks and mutual funds, as well as a rapidly growing capital market during 1997 and 1998, the investment climate was not favourable to mortgage lending at that point. It was impossible for mortgage lenders to compete with the high government interest rates in 1998. Moreover, there were no incentives for Russian banks and foreign investors to provide mortgage lending or to invest in the secondary mortgage market.

### Savings

Savings were estimated at \$50-60 bn before the 1998 crisis. Most institutional savings were in Russian banks which in turn was invested in Treasury Bills. Thus, domestic savings were used to finance the government's budget deficit, rather than in the property market or the productive sectors of the economy. The bulk of savings were kept "under the mattresses", which again reflects a lack of trust in the government.

*Current Trends:*

The capital market has changed dramatically in the current year. Corporate debt yields of some Russian private companies have fallen to 13 to 14% (US\$), which is less than the yield on sovereign debt 15% (US\$). The Russian investment climate is becoming more favourable to both primary mortgage lending and secondary market.

Recently, the Russian economy has benefited from a sharp recovery in the price of gold, oil and gas; the impact of higher oil revenue because of the ruble devaluation; and an increase in corporate taxes from oil companies and related tariff collections.

As a result of the most recent IMF discussions, the World Bank and the Japanese government have resumed their previously agreed loan programs. Investors now hope that these leading programs will continue and that Russia will be able to maintain a proper relationship with international financial institutions (as regards repayment schedules, etc.), although there is no assurance that this will happen.



## **Annex F**

### **Analysis of the Russian Housing Sector**

This analysis of Russia's housing sector covers two distinct periods: first, from the beginning of "perestroika" in 1985 until the end of 1992; and secondly, from the beginning of 1993 until 1998, which is essentially the implementation period for HSRP I and II.

#### **1. Situation in the housing sector during 1985-1992.**

- *Housing construction*

By 1985 the Soviet Union began to implement major structural changes to improve the economy, which are known today as "perestroika". Implementation of these changes coincided with an economic crisis that resulted in hyperinflation during 1991-1992, peaking at 2,480% in 1992. In the housing sphere, the XXVII Communist Party Congress in 1986 enacted an ambitious program, which in view of the economic situation then, was far from realistic. The main objective of the program was to accelerate housing construction and thereby eliminate the huge housing deficiency by the year 2000. In the early stages, there were some positive changes as shown by an increase in housing construction of 6.5 % in 1986 and 10.3% in 1987 (see Table 1). In fact, the quantity of housing constructed during 1987 was the largest annual amount in the last twenty years.

Beginning in 1990 through 1992, the rate of housing construction decreased rapidly. Due to inflation and a sharp decrease in state funding, housing construction in 1992 constituted only 57% of the 1987 level. Table 1 summarizes the housing activity by the three State sectors (federal, state enterprises and other state/public entities) and the two private sectors (housing cooperatives and individuals).

Housing construction by state enterprises using their own funds (as opposed to funds received from the central budget) began only in 1987. This resulted from the implementation of the 1987 law "On State Enterprises" which decreased taxes for enterprises and permitted them to retain more of their profits, thereby giving enterprises a reason to invest in housing construction for their employees. As a result of this reform, by 1988 some 38% of all housing construction was financed by enterprises as compared to only 6% in 1987.

Table 1  
HOUSING CONSTRUCTION <sup>1</sup>, 1980-1992 (in millions of square meters)

	1980	1985	1986	1987	1988	1989	1990	1991	1992
Total amount of housing Construction:	59.4	62.6	66.2	72.8	72.3	70.4	61.7	48.3	41.5
As percentage of 1980	100.0	105.4	111.4	122.6	121.7	118.5	103.9	81.3	69.6
Federal Budget	49.6	50.2	53.3	54.1	30.1	27.6	21.0		
State Enterprises	-	-	-	5.1	27.7	28.4	26.5		
Other State/Public entities	3.3	5.3	5.4	5.3	5.2	4.8	5.3		
Housing Cooperatives	2.5	3.4	3.6	4.1	4.1	3.7	2.9	2.4	2.1
Individuals	4.0	3.7	3.9	4.2	5.2	5.9	6.0	5.4	4.9

Table 2.  
DISTRIBUTION OF HOUSING CONSTRUCTION FINANCING BY SOURCES<sup>2</sup>  
(millions of roubles)

	1980	1986	1987	1988	1989	1990	1991	1992
Total financing of housing construction,	13,227	18,629	20,180	21,339	22,339	22,919	37,100	191,000
as a percentage of overall national investments	14.0	15.4	15.7	15.4	15.5	15.9	18.9	
State financing,	11,497	15,587	17,076	18,036	18,853	18,880	30,800	154,000
out of it:								
- from budgets	11,497	15,587	15,709	9,045	8,521	8,347	11,500	55,000
- from enterprises' funds	-	-	1,367	8,991	10,332	10,533	19,300	99,000
Housing construction cooperatives	404	689	773	772	682	654	1,100	6,000
Other state owned/public organizations		1,762	1,678	1,674	1,678	2,168	4,300	26,000
Individuals	379	591	653	857	1,120	1,217	900	5,000

<sup>1</sup> Source of data – Ministry of Economy

<sup>2</sup> Indicators for 1980-1990 are given in prices of 1984; for 1991 and 1992 - in prices as of January 1, 1991.  
Source of data - Ministry of Construction.

Table 2 shows a trend away from the use of federal or state budgetary financing for housing construction in favor of enterprise financing, a major change in the housing sector during this period. Another significant change relates to the increasing share of individuals building their own housing that also resulted from new provisions in the 1988 legislation. These developments were aimed at (1) mobilizing individual savings for housing construction; and (2) making construction loans from state credit institutions more affordable. But a major part of the increase from individual housing construction during 1988-1992 was due to individual savings rather than funds borrowed from credit institutions. Sberbank's construction loan portfolio constituted only 1% of its assets in 1991. The percentage of individual construction loans issued by commercial banks was 0.2% of its total loan portfolio in 1992.

Although increasing, the share of housing construction by individuals in overall housing production was still small - only 12% in 1992. As a result, steps to increase individual construction became a major part of the government's housing reform program for 1993.

- *Housing maintenance and repair*

The decline of budgetary funds for housing construction was accompanied by a growing decline in funds for housing maintenance and repair. Ministry of Construction estimates show that budgetary funds available for housing maintenance and repair dropped from 60%-70% of the amount needed in 1990 to 25%-30% in 1993.

When ownership of state housing<sup>1</sup> by 1991 was transferred to municipalities, decisions regarding housing management and maintenance (including those related to budgetary support) began to be made at the municipal level. Because of inflation and a sharp decrease in financial support from the central budget, municipalities faced increasing housing maintenance costs that forced them to postpone regular maintenance and repair. As a result, from the beginning of 1992, such delays became a regular practice and the housing stock continued to deteriorate rapidly.

Another important issue was that housing maintenance and repair were carried out by municipal organizations that were paid standard fees based on a predefined level of standard services to be delivered. Each organization had specific buildings assigned to it for maintenance. There was no competition for this work and therefore no incentives to decrease maintenance costs or to increase its quality.

At the same time, the government policy was to maintain low rental payments for housing and communal services by tenants. At the end of the 1980's such rent payments constituted only an average of 3% of overall family expenses. During the period of liberalization of the economy, prices were increased for practically all goods and services except housing and communal services. With the high inflation in 1992, the percentage of payments for housing and communal services fell to only 0.3% of the average family income. This governmental policy also served to protect the population from the shock of

---

<sup>1</sup> With the exception of enterprise housing

rapid economic change. But this led to the physical deterioration of the housing stock and the need for urgent measures to increase funding for housing maintenance and repair. Such measures became one of the most important parts of the upcoming housing sector reforms.

- *Housing privatization*

The first law on privatization in 1989 resulted in only 10,000 apartment units (0.03% of the total stock) privatized in the first year, followed by 43,000 in 1990. The subsequent law “On Housing Privatization in RSFSR”, adopted on July 4, 1991, was the first major step towards real transformation of the Russian housing sector after “perestroika”. After this law was passed, 122,000 units were privatized by the end of 1991, which was still not significant when compared to the total housing stock. Amendments to the Law in December 1992 allowed “free” privatization<sup>1</sup> regardless of the size of the apartment being privatized and speeded up the process. Data from the State Statistics Committee demonstrate that the people’s attitude towards privatization changed dramatically and resulted in the privatization of 2.6 million apartment units in 1992.

*Summary.* The period 1985-1992 in the housing sector can be described as follows:

- (1) Decreasing rates of overall housing construction;
- (2) Changes in the structure of housing construction financing with a decreasing share of central budgetary funding and a corresponding increase of the share of funding from enterprises and individuals;
- (3) Ownership of state housing was transferred to municipalities (excluding the housing stock of state enterprises);
- (4) A decrease in the amount of budgetary financing for housing maintenance and repair accompanied by an overall policy of retaining low rental payments for housing and communal services;
- (5) No competition in the area of housing maintenance and repair;
- (6) Beginning of “free” housing privatization with the adoption of the law “On Housing Privatization in RSFSR” in 1991.

## **2. Situation in housing sector during 1993 -1998.**

As mentioned above, the law “On Housing Privatization in RSFSR” became the first major step towards real transformation in the Russian housing sector by implementing privatization of dwelling units. The next step was the adoption of the Law “On Fundamentals of Housing Policy” which became effective on the 24 of December 1992 which created the basis for comprehensive reforms in many areas of the housing sector. To implement this law, the State program on “Housing” was adopted. The purpose of this program was to define basic provisions of the State’s housing policy as well as specify the measures for carrying out the following main tasks:

---

<sup>1</sup> The Law of July 4, 1991 also permitted “free” privatization but only for living space within predefined norms that depended on family size. Families had to pay for the space that exceeded the norms.

- Overcome the decline in housing construction by providing citizens' rights to choose the own way to satisfy their housing needs;
- Change the structure of ownership and sources of financing in the housing sector by providing economic preconditions and stimuli for (1) promotion of non-budgetary funds for housing construction financing, (2) development of a residential real estate market, (3) further housing privatization, and (4) promoting low-rise construction (rather than multi-story, multi-family buildings);
- De-monopolize housing construction and housing maintenance;
- Improve the system of housing management.

To facilitate a comparison with the first part of this document, the analysis has been made from the perspective of developments in (but not limited to) the areas of housing construction, housing maintenance and repair, and housing privatization.

- *Housing construction.*

Table 3 below shows that over the period 1993-1995 the amount of completed housing construction remained fairly steady. The stability of housing construction, and even the small increase in housing completed in 1995, can be explained by completion of projects begun in previous years in both multistory and low-rise construction. There was still an upward trend in individual construction after 1995 but at a slower rate.

Table 3  
HOUSING CONSTRUCTION, (million square meters) 1993-1998

	1993	1994	1995	1996	1997	1998
Total amount of housing construction completed, of which:	41.8	39.2	41.0	34.3	32.7	30.3
Individual construction	5.6	7.1	9.9	10.0	12.1	N/A
Percentage of individual construction as a % of total	13.0	18.0	24.0	29.0	37.0	N/A

The amount of capital investment in housing construction decreased in both the State and the individual sectors. The consequences of this decrease became noticeable in 1996 when the total amount of construction completed dropped sharply. The decreased investment in individual construction was due, in part, to a lack of construction loans from banks because of the high credit risk in relation to the average borrower's unstable and irregular income. Despite a decrease in inflation rates (up to August 1998) it was more profitable (and less risky) for banks to make short term commercial loans. As a result the amount of construction loans issued by banks to individuals during 1992-1997 declined even further.

The law “On Mortgage Lending” was finally adopted in 1998, after being considered for six years in the State legislature. Statistics show that in urban areas there is an average of 1.15 -1.2 families living in each apartment unit and 1.4 - 1.5 people in each room of the unit. The need to decrease the high density rate and to improve living conditions, will eventually result in a huge demand for mortgage loans in Russia. However, the economic situation still needs to improve to convert this need into effective demand. The adoption of the law, along with creation of the Agency for Mortgage Lending, formed the basis for developing the supply side of the mortgage market.

- *Housing maintenance and repair*

As mentioned previously, at the beginning of 1993 urgent measures were needed to increase funding for housing maintenance and repair. The major step in this direction, as provided in the law “On Fundamentals of Housing Policy”, was rent reform which was aimed at increasing rent and utility payments paid by tenants. The initial date set for achieving full cost recovery was the end of 1998. To protect low-income families, a housing allowance program was introduced to compensate for the increase in rental payments. During the period 1993-1997 the implementation of the housing reforms resulted in an increase in payments from about 2-3% of costs to 20-40% (depending on the type of service provided). In 1993 these payments constituted 1.5% of the average family income while by 1997 it had increased to 15%. Since the rate of increase in maintenance and utility costs exceeded the inflation rate, the share of local budget subsidies for housing maintenance and utilities did not decrease.

The increase in rental payments was exacerbated by a decline in real incomes that soured the people’s perception of the rent reform process. As a result, the deadline for recovering full maintenance and utility costs from residents was postponed to 2003 and for capital costs to 2008. At the same time, local budgets were insufficient to support housing maintenance and repair. In 1996 the recovery of costs from available sources of financing - local budgets and residents - was only 50% of what was needed. Given the lack of budgetary funds, only further reforms in the system of payments from the residents for rents and utilities<sup>1</sup> can improve the situation in this area of the housing sector. It means that specific measures should be developed to increase the participation in cost recovery of those families who can currently afford to pay up to 100% of those costs. According to estimates, rent and utilities payments constitute no more than one half per-cent of the income from more affluent families.

Another negative feature of subsidized rent and utilities payments is that this policy does not lead to the creation of a competitive environment for maintenance services<sup>2</sup>. Given the current low level of financing, competitive bids in some regions are not really competitive. By requiring upper income families to pay full costs, however, residents will seek out maintenance companies that provide better quality and lower prices for their

---

<sup>1</sup> These measures should be combined with others aimed at regulating local electric- gas- and water utility providers. High tariffs constitute the major part of utilities and other communal services costs.

<sup>2</sup> Allowing competition by de-monopolizing housing maintenance is an integral part of ongoing housing sector reforms.

services. This mechanism would use natural economic incentives to create a competitive environment for maintenance services.

- *Housing privatization*

The following table shows the structure of housing ownership in Russia.

Table 4  
STRUCTURE OF OWNERSHIP IN THE HOUSING SECTOR  
(Percent at the beginning of the year)

	1993	1994	1995	1996	1997
Total amount of housing stock,	100	100	100	100	100
of which:					
- in private ownership,	36	47	50	53	55
of which:					
Ownership of individuals	30	37	41	44	
- in state ownership	38	19	13	10	8
- in municipal ownership	25	26	28	30	31
- in public ownership	1				
- in mixed ownership		8	8	7	6

The percent of privately owned housing increased from 36% at the beginning of 1993 to 55% at the beginning of 1997. These rates peaked in 1994, after which they began to decrease as is shown on Table 5.

Table 5  
HOUSING PRIVATIZATION

	1992	1993	1994	1995	1996	Total as of January 1, 1997
Number of privatized apartment units(thousands)	2,613	5,804	2,396	1,529	1,203	13,698
Percentage of total number of units to be privatized (%)	8	18	9	6	5	39

Among the most important reasons for the decrease in the rate of privatization is the fear that the owners of privatized apartments will be the first to pay full recovery costs for maintenance and utilities. So far, no difference is made between owners and tenants concerning participation in cost recovery unless the residents of the building create a home-owners association. Experience to date in converting existing buildings to home-

owners associations shows that in most cases residents make such a decision only if they can find additional sources of income to cover the increase in maintenance and utilities costs. Since such additional income is not easy to find, the creation of new home-owners association has been slow, with only about 3,000 associations having been created in Russia to date. Other reasons that residents prefer for the building to be retained on the balance sheets of municipalities include:

- Existing bad condition of the building;
- Low income of the tenants;
- Lack of a developed market for providing communal services (in other words - no real competition between maintenance companies);
- Presence in the building of families with different levels of income;
- Lack of sufficient regulation of the owner's responsibilities.

*Summary:* The period 1993-1998 in the housing sector can be characterized by:

- (1) Continued privatization that reached almost 50% by the end of the period;
- (2) Decreasing investment in housing construction in both the state and private sector;
- (3) Adoption of the major law "On Fundamentals of Housing Policy" which contained the main provisions for housing sector reforms;
- (4) Adoption of the state program "Housing" which contained specific tasks to implement reforms prescribed by the law;
- (5) Initiation of the housing reform process by:
  - Increasing rent and utilities payments,
  - Organizing the housing allowances system,
  - Organizing competitive bids for maintenance companies,
  - Creating home owners associations;
- (6) Adoption of the law "On Mortgage Lending" and creation of the Agency for Mortgage Lending;
- (7) Insufficient financing for housing maintenance and repair;
- (8) Lack of incentives to create home-owners associations.



## Annex G

### List of Legal Documents Developed and Adopted in 1992-1998 with the assistance of HSRP I and HSRP II projects

1. Federal Laws
  - 1.1. Law of the Russian Federation on Basic Principles of Federal Housing Policy #4219-1 of 24/12/92
  - 1.2. Federal law of 15.06.96 #72-FZ "On Associations of Home Owners"
  - 1.3. Federal law of 21.07.97 #122-FZ "On State Registration of Real Property Rights and Deals With It"
  - 1.4. Federal law of 26.06.97 #102-FZ "On Mortgage (Real Estate Pledge)."
  - 1.5. Federal Law of 17.08.96 #116-FZ "On Allocation of Housing Subsidies between the Regions of the Far North and Areas with Status Similar to them in 1996."
  - 1.6. Urban Planning Codex of 07.05.98 #73-FZ
2. Presidential Decrees
  - 2.1. Decree by the President of the Russian Federation as of 29.03.96 #431 "On the New Stage in Implementation of the State-Targeted Program "Zhilische"
  - 2.2. Decree by the President of the Russian Federation as of 29.03.96 #430 "On State Support of Citizens in Housing Construction and Acquisition."
  - 2.3. Decree by the President of the Russian Federation as of 29.03.97 #432 "On Development of Competition in Rendering Services in Maintenance and Renovation of the State and Municipal Housing Stocks."
  - 2.4. Decree by the President of the Russian Federation as of 21.07.97 #425 "On Utility Service Reform in the Russian Federation."
  - 2.5. Decree by the President of the Russian Federation as of 27.05.97 #528 "On Additional Measures on Utility Services Reform in the Russian Federation."
  - 2.6. Decree by the President of the Russian Federation as of 10.06.94 #1180 "On Housing Credits"
  - 2.7. Decree by the President of the Russian Federation as of 07.03.96 #337 "On Realization of the Constitutional Rights of Citizens to Land"
  - 2.8. Decree by the President of the Russian Federation as of 26.11.97 #1263 "On sales of undeveloped land plots located on the territory of urban and rural residential settlements to legal entities and individual citizens, or sale of the right to lease those by legal entities and individual citizens"
  - 2.9. Decree of the President of the Russian Federation on development of the Federal targeted program "Your Own Home." #420 of 23.03.96
  - 2.10. Issue and Trading of Housing Certificates. RF President Edict #1182, June 10, 1994
  - 2.11. Decree of the President of the Russian Federation "On Development and Introduction of Non-Budget Forms of Investing into the Housing Sector" as of 24.12.93 # 2281
  - 2.12. Decree of the President of the Russian Federation "On Approval of the Provisional Regulations on Condominiums " as of 23.12.93 # 2275

3. Resolutions of the Russian Federation Government

- 3.1. Resolution by the Council of Ministers – the Russian Federation Government On Transition to a New System for Rent and Communal Services Payment and the Procedure for Providing Compensations (Subsidies) to Citizens for Rent and Communal Services Payment of September 22, 1993 #935
- 3.2. Provisions by the Russian Federation Government as of 20.12.97 # 1613 "On the Program for Demonopolization and Development of Competition in the Utility Service Market"
- 3.3. Federal Program "State Housing Certificates" (Provision of housing to the citizens to be or have dismissed from military service and to their families) adopted by Resolution of the Russian Federation Government of 20.01.98 #71 "On Federal Targeted Program 'State Housing Certificates'".
- 3.4. Federal Targeted Program 'Your Own Home' approved by the Resolution by the Russian Federation Government of 27.06.97 #753
- 3.5. Resolution by the Russian Federation Government of 26.09.94 #1086 "On State Housing Inspection in Russian Federation"
- 3.6. Decree by the Russian Federation Government #581 as of 11.07.98 "On Amendment to the Procedure of Issuance and Redemption of State Housing Certificates for Servicemen Retired or Dismissed from Military Service and Citizens of Closed Settlements Subject to Removal"
- 3.7. Resolution by the Russian Federation Government #630 of 24.06.98 "On Social Protection of Population under the Revision of Prices for Natural Gas"
- 3.8. Resolution by the Russian Federation Government as of 21.03.98 #320 "On Measures for Implementation of the Presidential Program 'State Housing Certificates.'"
- 3.9. Resolution of the Russian Federation Government of 30.05.98 #536 "On Approval of the Federal Standards for Transition to the New System of Utility Service Payments for 1998"
- 3.10. Resolution by the Russian Federation Government of 26.09.97 #1223 "On Approval of Provisions 'On Determination of the Size and Conditions of Land Plots' Borders of Condominiums."
- 3.11. Resolution by the Russian Federation Government of 13.06.97 #702 "On Approving a List of Towns for Tuning the Mechanism of Implementing Utility Service Reform"
- 3.12. Resolution by the Russian Federation Government of 03.08.96 #937 "On Granting Russian Federation Citizens in Need of Improved Housing Conditions a Free Subsidy for Housing Construction and Acquisition"
- 3.13. Resolution by the Russian Federation Government of 27.06.97 #753 "On Federal Targeted Program 'Your Own Home' "
- 3.14. Resolution by the Russian Federation Government of 26.05.97. #621 "On Federal Standards of Transition to the New System for Utility Payments"
- 3.15. Resolution by the Russian Federation Government of 13.06.96 #707 "On Regulating the System for Utility Payments"
- 3.16. Provisions by the Russian Federation Government of 26.08.96 #1010 "On Agency for Housing Mortgage Lending."

- 3.17. Provisions by the Russian Federation Government "On approval of the Regulations on allocating free-of -charge subsidies for construction or registration of housing to citizens in need of improved housing conditions" of 10.12.93 #1278
- 3.18. Federal Targeted Program "Zhilische" adopted by the Resolution of the Russian Federation Government of 20.06.93 #595
- 3.19. Resolution of the Russian Federation Government "On addition to the resolution of the Council of Ministers – Government of the Russian Federation of September 22, 1993 #935" of 23.12.93 #1329

## Annex H

### USAID SHELTER CO-OPERATION PROGRAM WITH MOSCOW AND THE RUSSIAN FEDERATION

#### LIST OF SEMINARS, PRESENTATIONS AND CONFERENCES

DATES	LOCATION	EVENT/ ORGANISER	PROGRAM SPONSORED SPEAKERS	NUMBER OF PARTI- CIPANTS	TOPIC
Nov.18-20,1992	Moscow	Seminar/UI (Mosbusinessbank)	M.Ravicz	8	Mortgage Instruments
Nov.22-25.	Moscow	Seminar/UI	R.Pratt	8	Introduction to Mortgage Lending
Nov.-Dec.	Moscow	Training/UI 18 sessions	A.Olson	15	Trainig for "owners" in privatisation of housing management
Feb.2, 1993	Moscow	Seminar/UI	S. Butler	45	Residential Mortgage Lending in Russia: Structuring the Legal Framework
April 1	Moscow	Seminar/UI	M.Rosenberg	50	Loan Origination & Underwriting
May 8	Moscow	Seminar/UI for Armenia, Kazakhstan and Kirgizstan	A.Puzanov R.Struyk	11	Housing Allowances Private Housing Maintenance
May 17	Moscow	Seminar/UI	M.Lea	45	Mortgage pricing for Russian banks
May 19-20	Moscow suburb	Conference/ UI, Inst. of Housing Econ. 2 days	UI	220	Implementation of Housing Reform
July 23	Moscow	Seminar/UI	R.Struyk	40	Long Term Mortgage Loan Risks
July-Aug.	Moscow	Training/UI +Inst. for Housing Economy 18 sessions	IHE staff	20	Training for "owners" in privatisation of management program
Sept. 16-17	Moscow	Conference/ Inst. on Privat.& Management	R.Struyk S. Butler	25	Introduction to Mortgage Lending Legal Foundation for Mortgage Lending
Sept. 21-23	Ryazan	Presentations/ Mayor's Office, Conference	S. Butler A.Suchkov	70	Condominiums and Introduction to Mortgage Banking
Sept. 29	Moscow	Seminar/UI	K.Odenheim	40	Real Estate: Appraisal
Sept.30-Oct.1	Samara	Seminar/UI	UI	10	Mortgage Banking
Oct.6	Moscow	Seminar/UI	M.Ravicz	45	Mortgage Instrument for Russia
Oct.12-13	Moscow suburb	Conference/ UI, Inst. of Housing Econ. 2 days	UI	225	Housing Reform in Russian Federation
Oct.18-22	Moscow	Training/UI	R.Subramaniam	14	Mortgage Loan Servicing

		5 days			
Oct.20-21	Volgograd	Seminar/ Peace Corps 2 days	UI	50	Housing Allowances & Housing Finance
Oct.27-29	Nizhny Novgorod	Seminar/ Peace Corps 2 days	UI	55	Housing Allowances & Housing Finance
Oct.28	Moscow	Presentation/ Guild of Realtors Conference	N.Kosareva A.Suchkov	175	Introduction to Mortgage Finance 3 presentations
Oct.-Nov.	Moscow (Mitten)	Trainig/UI 12 sessions	IHE staff	13	Trainig for "owners" in privatizaton of housing management
Oct.9-10	Alma-aty Kazakhstan	Conference/ ICMA, Office of Vice-President of Kazakhstan	A.Puzanov A. Olson	200	Privatization of Housing Management Housing Allowances
Nov.18-19	Novosibirsk	Seminar/ Association of Mortgage Banks	R.Struyk A.Suchkov N.Kosareva	100	Mortgage Finance 3 presentations
Nov.20	Ekaterinburg	Seminar/ M.Brown USAID	R.Struyk A.Suchkov N.Kosareva	35	Mortgage Finance 3 presentations
Nov.-Jan.	Moscow (Orekhovo- Borisovo)	Training/UI 12 sessions	IHE staff	19	Training for "owners" in privatisation of housing management
Dec.16-17	Togliatti	Seminar/ Peace Corps 2 days	R.Struyk A.Suchkov N.Kosareva A.Pusanov	35	Housing Allowances & Housing Finance
Jan.14 1994	Nizhni Novgorod	Seminar/ N.N. Academy of Architecture 1 day	R.Struyk A. Suchkov N.Kosareva	35	Mortgage Finance 3 presentations
Jan.27-29	Moscow	Seminar/ World Bank USAID, 3 days	S.Butler	110	Land Allocation, Use and Registration
Feb. 10-11	Moscow	Conference/ Gosstroy, City of Moscow 2 days	A.Puzanov N.Kosareva M.Shapiro	200	Housing Allowances, Condominiums 3 presentations
Feb.14-25	Moscow Suburb	Training course/ Assoc. of Mortgage Banks 2 weeks	M.Robertson A.Suchkov M.Ravicz T.Healy N.Kosareva R.Struyk	35	Initial offering of the basis training course on mortgage finance
March 7	Rostov-on Don	Seminar/ Peace Corps 1 day	A.Pusanov	35	Housing Allowances
March 16	Nizhni Novgorod	Seminar/ Oblast Ad-	C.Rabenhorst	75	Basics of Condominiums

		ministration			
March 31	Moscow	Seminar/ Gosstroy	N.Kosareva M.Shapiro	30	Financing the Housing Sector Privatisation of Maintenance
April 11-12	Irkutsk	Seminar/ Realty Firm "Vincent" & East Siberian Commercial Bank 2 days	R.Struyk N.Kosareva A.Suchkov A.Kopeikin	120	Introduction to Mortgage Finance 4 presentations
April 28	Moscow	Conference/ Union of Russian Cities	R.Struyk	15	Developments in Housing Finance
Apr.-May	Moscow (Timiryazev- sky)	Training/UI 12 sessions	Moslift staff	15	Training for "owners" in privatisation of housing management
May 23-25	Nizhny Novgorod	Training/UI 6 sessions	M. Tikhomirova	25	Training for "owners" in privatisation of housing management
May-June	Moscow (South-West)	Training/UI 12 sessions	Moslift staff	15	Training for "owners" in privatisation of housing management
May 16-18	Nizhni Novgorod	Workshop/ UI	S.Butler  M.Brown O.Kaganova	55	Market-oriented methods of land allocation
May 25	Moscow	Conference/ Housing Initiative	R.Struyk	110	Developments in Housing Finance
June 4-5	Moscow	Seminar/UI	V.Watts W.Connolly	50	Developments and Implementation of Housing Codes
June 6-10	Sochi	Training course/ Assoc. of Mortgage Banks 1 week	M. Grady L. Hodger A.Suchkov N.Kosareva R.Struyk	25	One week basic course one mortgage lending
June 12-13	St.Petersburg	Seminar/ Centre Leontief	R.Struyk  N.Kosareva A.Puzanov	75	Evaluation of the Private Maintenance Program Developments in Mortgage Lending Reform in the Rental Sector
June 14-16	Moscow	Seminar/ Inst. of Economic Forecasting	R.Struyk  N. Kosareva	75	Evaluation of the Private Maintenance Program Developments in Mortgage Lending
June 20-25	St. Petersburg	Seminar/Inst. for Housing Economy	A.Suchkov  M.Shapiro	200	Introduction to Mortgage Finance  Private Maintenance for Municipal Housing
June 29	Pskov	Seminar/ Oblast Administrating	R.Struyk N.Kosareva A.Suchkov L.Klepikova	40	Mortgage Finance
June	Vladimir	Seminar/ City Admin	A.Puzanov	25	Housing Allowances

June	Ryazan	Seminar/ City Admin.	A.Puzanov M.Tikhomirova	25	Housing Allowances and Private Maintenance
July 19	Moscow	Institute of Qualification Improvement for Construction Specialists	T.Belkina	10	Organization and Legislative issues of Condominiums
July 20-21	Kharkiv Ukraine	Seminar/ PADKO	M.Shapiro	50	Privatization of Maintenance as it Operates in Moscow
July 26	Ivanteevka	Seminar/ City admin.	Warsaw Belkina	30	Introduction to Condominiums
Aug. 4	Ryazan	Seminar/ City admin.	Warsaw Tihomirova	10	Problem solving in Condominiums
Aug. 5	Ryazan	Seminar/ City admin.	M.Tihomirova	5	Privatization of Maintenance- Beginning Steps
Aug. 10	Tver	Seminar/ City admin.	M.Tikhomirova R.Warsaw	10	Condominiums and Privatization of Maintenance
Aug.30	Nizhni Novgorod	Seminar/ Oblast adm.	R.Warsaw T.Belkina	30	Condominiums
Sept.9	Vladimir	Seminar/ City admin.	M.Tikhomirova	5	Introduction to Privatization of Maintenance
Sept.10	Obninsk	Seminar/ Inst. of Municipal Management	A.Puzanov	110	Administating Housing Allowances
Sept.13	Moscow	Seminar/ Assoc. of Commercial Banks - "Rossiya"	R.Struyk	46	Managing Risk in Mortgage Banking. (All participants were bank Presidents)
Sept.14	Moscow	Seminar/ Assoc. of Students and Young Professionals in Economics	A.Suchkov R.Struyk	50	DAIR Mortgage Instruments Introduction to Mortgage Finance
Sept.22	Narofominsk	Seminar/ District adm.	A.Puzanov	45	Housing Allowances
Sept.23	Moscow	Seminar/ Ministry for Social Protection	A.Puzanov	45	Housing Allowances
Sept.23	Moscow	Seminar/ UI and Dep. for Communal Services for Ukraine	A.Puzanov	20	Housing Allowances
Sept.28	Yaroslavl	Seminar/ City admin.	R.Warsaw G.Glazkova	10	Problem Solving for Condominiums
Sept.30	Yaroslavl	Seminar/ City admin.	M.Tikhomirova	5	Introduction to Privat. of Maint.
Oct. 3-7	St.Petersburg	Training Course/ Assoc. of Mortgage Banks	UI and Fannie Mae staff	65	"Basic Course" in Mortgage Finance
Oct. 6	Moscow	Seminar/ UI & City Admin.	D.Murrell M.Shapiro	100	Review of Current Conditions in Moscow for Private Maintenance Contracting

Oct. 10	Vladimir	Seminar/ City admin.	R. Warsaw G. Glazkova	10	Introduction to Condominiums
Oct. 10-12	Tashkent	Conference/ Goskomarhitecstroy N. Kosareva and Inst. of Architec. & Construction	R. Struyk	300	Issues of Mortgage Lending in Russia
Oct. 10-14	St. Petersburg	Training Course/ Assos. of Mortgage Banks	UI and Fannie Mae staff	55	Loan Servicing and Underwriting
Oct. 12	Moscow	Seminar/ International Academy of Entrepreneurship	J. Cook	30	Mortgage Lending in Russia: Theories and Practical Applications
Oct. 23-25	Suzdal	Conference/ Inst. for Housing Economy and UI	R. Warsaw C. Rabenhorst D. Murrell A. Puzanov J. Cook	265	Creating Condominiums: Early Experience with Housing Allowances, Mortgage Finance in Russia
Nov. 2	Moscow	Seminar/ Assoc. of Commercial Banks "Rossiya"	J. Cook	30	The Evolution of Mortgage Lending in Russia
Nov. 10	Novgorod	Seminar/ City admin.	R. Warsaw G. Glazkova M. Tihomirova	10	Introduction to Condominiums and Privatization of Maintenance
Nov. 16	Moscow	Seminar/ Assos. of Commercial Banks "Rossiya"	J. Cook	15	The Development of Mortgage Lending in Russia
Nov. 16	Ryazan	Meeting in Majors Office	R. Warsaw	10	Questions and Answers for Condominiums Board Presidency
Nov. 21	Ulan-Ude	Seminar/ Oblast Admin.	J. Cook A. Suchkov  E. Klepikova	50	Mortgage Finance Introduction to Mortgage Lending Risk Management Characteristics of DAIR Mortgage Loan Origination and Servicing
Nov. 23	Yaroslavl	Seminar/ City admin.	G. Glazkova T. Belkina	10	Condominiums-Solving Problems
Nov. 24	Vladimir	Seminar/ City admin.	S. Sivaev	5	Condominiums
Nov. 29	Moscow	Seminar/ The Moscow Central Inst. for Construction Workers Re-Training	A. Suchkov	30	Housing Mortgage Finance Main Principles and Problems
Dec. 6	Moscow	Seminar/ M. Shapiro Union of Housing Owners			Introducing Private Maintenance to Cooperatives and Condominiums
Dec. 6-7	Nizhni Nov. and several surrounding districts	Seminar/ Oblast admin.	M. Pinegina	10	Privatization of Maintenance



Dec.6-9	Moscow	International Academy of Entrepreneurship	R.Warsaw G.Glazkova T.Belkina M.Tihomirova	75	Condominium Trainig Course
Dec. 8	Kiev Ukraine	International conference/ AID/Ukraine. State Committee for Construction	A.Suchkov A.Puzanov	155	Experience of Housing Mortgage Finance in Eastern Europe transition economies Housing Allowances Mortgage Lending
Dec.9	Moscow	Seminar/ Assos. of Commercial Banks "Rossiya"	J.Cook	30	"Mortgage Lending: Practical Experiences for Russia"
Dec.12	Obninsk	Seminar/ Organization of Management and Maintenance of Municipal Housing Stock	M.Shapiro		Introdusing Competitive Maintenance to Municipal Housing
Dec.13	Moscow	Seminar/ A.Suchkov Trainig institute of professional qualification improvement of developers and builders		20	Introduction to Mortgage lending
Dec.13-16	Moscow	Trainig Course/ Assos. of Mortgage Banks	UI and Fannie Mae staff	25	Mortgage Lending finance and risk management
Dec.14	Moscow	Training Course/ Assoc. of Mortgage Banks	UI and Fannie Mae staff	5	Financial Aspects of Mortgage Lending
Dec.21-24	Moscow	Seminar/ Trainig institute of professional qualification improvement of developers and builders	A.Suchkov	25	Mortgage risk management. Loan underwriting.
Jan.10.1995	Moscow	Presentation at meeting of Public Counsel on Housing Policy under Moscow Duma	N.Kosareva A.Puzanov	30	The up-front subsidies scheme and it implementation in Russia The concept waiting list reform and municipal lease implementation
Jan.13	Moscow	Seminar/ Assos. of Commercial Banks "Rossiya"	R.Struyk	75	Mortgage Finance Today
Jan19	Obninsk	Institute of Municipal Management	R.Warsaw G.Glazkova T.Koutakova	8	Introduction to Condominiums
Jan31	Vladimir	Seminar/ Oblast Administration	J.Cook A.Suchkov E.Klepikova	35	Mortgage Finance
Feb 1	Yaroslavl	Yaroslavl Oblast	Warsaw	2	Introduction of UI Condo. Program for New Construction

		Construction Department			
Feb 1	Yaroslavl	Yaroslavl City Administration	Glazkova Warsaw	5	Problem Solving for Condominium Program
Feb 2-3	Kiev	Seminar/ PADCO, Government of Ukraine	A.Puzanov S.Sivaev	60	Russian Housing Allowances Program
Feb 8	Cherepovets	Seminar/ Oblast Administration	J.Cook A.Suchkov E.Klepikova	35	Introduction to Mortgage Finance
Feb 14	Moscow	Study tour from Kasahstan and Kyrgyzstan	A.Puzanov	14	Russian Housing Allowances Program
Feb 20-21	Bor	Support to World Bank team	G.Glazkova M.Pinegina	32	Condominium Privatization of Maintenance
Feb 21	Moscow	Postgraduate training of builders	G.Glazkova	37	Legal basis of forming and operating of condominiums
Feb 22	Yaroslavl	Conference on housing finance/ City Admin.	N.Kosareva S.Nikolaenko	133	Alternative mortgage instruments The comparative analysis of DAIR instrument and instrument with index of minimum wage, used by Yaroslavl Joint- Stock Mortgage Bank.
Feb 27-28	Moscow	UI/Course	M.Pinegina	10	Privatization of Maintenance
Feb 27- Mar 2	Cheboksari	Course/AMB+ Oblast Administration	A.Suchkov J.Cook M.Platkin	12	AMB Basic Course
Mar 1-2	Moscow	Seminar/UI International Academy of Entrepreneurship		35	UI programs on condominiums, maintenance, housing finance
Mar 3-4	Volgograd	Oblast Admin.	G.Glazkova	7	Introduction to Condominiums
Mar 14-17	Moscow	UI/ IAE	R.Warsaw G.Glazkova T.Koutakova T.Belkina S.Sivaev M.Pinegina	48 (from many regions)	Condominiums and Privatization of Maintenance
Mar 20-21	Ryazan	City Admin.	S.Sivaev M.Pinegina		Privatization of Maintenance
Mar 27	Moscow	Regional Cities Maintenance Program	M.Shapiro M.Pinegina	30	Privatization of municipal maintenance
Mar 28-29	Ryazan	City Admin.	T.Koutakova M.Pinegina		Privatization of Maintenance
Mar 30	Moscow	Press Conference Russian - Am. Press Center	R.Struyk N.Kosareva M.Pinegina	20	Russian-U.S. Program on Housing Reform

Apr. 6	Moscow	Association of Commercial Banks "Russia"	J.Cook	35	Current Practices of Mortgage Finance in Russia
Apr 4-7	Vladimir	City Admin.	R. Warsaw G. Glazkova T. Kutakova S. Sivayev	40	Introduction to Condominium
Apr 11-13	Moscow	IAE/ UI	R. Warsaw G. Glazkova T. Kutakova S. Sivayev T. Belkina M. Pinegina	30	Condominiums and Privatization of Maintenance for officials from potential World Bank project cities
Apr 19	Moscow	Congress/ Russian Guild of Realtors	J. Cook	350	Mortgage Finance in Russia
May 24-25	Ekaterinburg	Conference on Competitive Maintenance PADCO	E. Petrova	50	Moscow competitive maintenance experience for the Siberian audience of PADCO
May 24-26	Ryazan	City Admin.	M. Pinegina T. Koutakova		Privatization of Maintenance
May 29-31	Ulyanovsk	Oblast Admin/ AMB	AMB trainers R. Struyk M. Platkin	50	Basic Mortgage Course
July 13-14	St. Petersburg	Seminar/	R. Warsaw G. Glazkova M. Pinegina S. Sivaev G. Aristova	110	Condominium Program
July 25	Yaroslavl	Presentation Oblast Administration	W. Riley G. Glazkova T. Koutakova	7	Condominium Program
July 27	Tver	Presentation/ City Administration	M. Pinegina	5	Privatization of Maintenance
Sept 4-8	Vladivostok	Central Bank/Int'l Banking Seminar	IR. Struyk N. Kosareva A. Suchkov	550	Keynote address and half-day session on mortgage lending
Sept. 6	Moscow	Guild of Realtors	T. Koutakova	30	New construction - condominiums
Sept. 11-15	Bishkek	ICMA	M. Pinegina	100	Strategy of conducting housing reforms in Kirgiziya
Sept. 18-22	Petrozavodsk	UI	M. Pinegina	10	Formation of condominiums on the basis of cooperative buildings
Sept. 26	Costroma	UI	S. Sivaev	25	Policy of construction Housing Reform in Russia
Sept. 28-29	Alista	Ministry of Construction of Kalmikiya	T. Koutakova	35	Mortgage and constructing finance in condominiums in new constructing buildings
Oct. 2-3	Kolichugino	Seminar/ Oblast Admin.	S. Sivaev	20	Housing reforms in Russia

Oct. 4-5	Gus Khrustalny	Seminar/ Oblast Admin.	S.Sivaev	15	Housing reforms in Russia
Oct. 12-14	Moscow	Seminar/ Academy of Entrepreneurship	M.Pinegina M.Shapiro P.Collins	38	Experience in conducting reforms in management and maintenance of housing stock
Oct. 23-24	Petrozavodsk	Seminar/ UI	G. Aristova T. Koutakova G.Glazkova	30	Condominium Program
Oct. 24	Vladimir	Seminar/UI	S.Sivaev	15	Condominium Program
Oct. 31-Nov. 1	Pskov Oblast	UI/Oblast Administr	T.Koutakova G.Glazkova G.Aristova O.Kim	40	Condominium Program
Oct. 30 - Nov. 1	Moscow	Conference/ Union of Russian Cities	A.Khakhlin	80	UI's experience in organization of land auctions
Nov. 1-2	N. Novgorod	UI	W.Riley S.Sivaev T.Koutakova G.Glaskova	65	Organization and activity of condominiums
Nov. 16	Gus K'hrustalni	Seminar (Region Administration)	S. Sivaev G.Aristova S.Prokofiev	25	Organization and activity of condominiums
Nov. 22	Moscow	Institute for Qualification Improvement	T.Koutakova	15	Purchase, Sale and Lease of Real Estate in Russia
Nov. 23-24	Ulyanovsk	Seminar (Association of Mortgage Banks)	T.Koutakova G.Aristova	34	Organization and activity of condominiums
Nov. 29-30	Novocherkassk	Seminar (Oblast Administration)	M.Pinegina O.Kim T.Koutakova G.Aristova	106	Organization and activity of condominiums
Dec. 15	Moscow	Seminar /Minstroia (for officials of Housing Inspect agencies of Russia)	A.Ovsyannikov	15	Housing Inspection experience in USA
Dec. 25	Moscow	Seminar	N. Kosareva G.Glaskova G.Teryohina	20	Legal issues on condominium formation
<b>1996</b>					
Jan. 5, 1996	Moscow	Seminar	M.Pinegina M.Shapiro S.Sivaev	12	"Privatization of maintenance"
Jan. 11-12	Krasnoyarsk	Presentation	D.Khomchenko	55	"Condominium organization"
Jan. 24	Moscow	Presentation Guild of Realtors Housing Initiative	R.Struyk	60	"Bank lending for construction period finance"
Feb. 4-12	Stokgholm Sweden	USAID-SIDA/ Swedeplan Co	T.Koutakova	25	"Cooperatives and Management in Sweden"
Feb. 8-9	Dubna	Conference	S.Sivaev	35	"Housing reform in Russia"

Feb.6-8	Novosibirsk	Seminar	P.Collins L.Levina M.Pinegina	20	"Follow-up training for Maintenance and Management"
Feb.13-15	Yekaterinburg	Seminar	P.Collins L.Levina M.Pinegina	12	"Follow-up training for Maintenance and Management"
Feb. 13	Vladimir	Seminar UI/City Adm.	V.Prokofiev	30	"Condominium organization"
Feb.13	Volgograd	Seminar/UI	O.Kim D.Khomchenko D.Finogeev	80	"Condominium Associations Formation Operation"
Feb.15	Kostroma	Seminar UI/City Adm.	S.Sivayev S.Prokofiev	55	"Housing reform in Russia"
Feb.16	Tver	Seminar CHF-UI	T.Koutakova	59	"New construction condominiums"
Feb. 13	Moscow	Seminar Minstroy	A.Suchkov	30	"The Mechanism of Mortgage Lending in High Inflationary Economies"
Feb.20-22	Moscow	Training/ AED-UI	P.Collins M.Shapiro	42	"Follow-up training for Maintenance and Management"
Feb.21	Moscow	Seminar Adam Smith Institute	N.Kosareva		"Developments on Housing Finance"
Feb. 27	Moscow	Seminar Minstroy	A.Suchkov	15	"Non-budget Funds Mobilization into the Housing Industry"
Feb.28	Moscow	Seminar/ UI	M.Shapiro	27	"Improvement of Management of Housing Stock of the City"
Feb.27- March 1	Moscow IAE	Seminar/UI, Ass. of Mortgage Banks	D.McCarthy A.Ozerov	50	"Principles of Housing Construction Finance"
March 5	Moscow Realtex	Exhibition/ Presentation	A.Suchkov	70	"Financing aspects of Mortgage Lending"
March 5	Moscow	Guild of Realtors	J.Cook D.Khomchenko	20	"Bridge Loans and Housing Finance" "The Legal Basis of Home Owners Associations and Housing Cooperatives"
March 15	Moscow	Guild of Realtors/ Training	T.Koutakova	40	"New Construction Condominiums"
March 19	Moscow	Seminar/ UI	S.Sivayev	15	"Condominium and Divestiture Program"
March 19	Gus' Hrustalni	Seminar/ UI	V.Prokofiev	20	"Condominium Organization"
March 20	Vladimir	Seminar/ UI	V.Prokofiev	15	"Condominium Organization"
March 21	St.-Petersburg	Presentation/ Committee for Economics and Finance	T.Koutakova	5	"Condominiums in St.Petersburg"
March 22	Ryazan	Seminar	S.Sivayev	15	"Condominium Organization"
April 4	N/Novgorod	Seminar/ UI City Administration	T.Koutakova S.Sivayev M.Shapiro	60	"Housing Reforms"

			V.Prokofev		
April 9	Moscow	Seminar/ UI	D.Khomchenko A.Ovsyannikov Y.Petrova P.Collins	24	"Contracting and Monitoring Maintenance Activity"
April 11	Vladimir	Seminar/ UI	S.Sivayev V.Prokofiev	27	"Condominiums and Privatization of Maintenance"
April 12	Moscow	Training/ Union of Apt. Owners	N. Nozdrina K. Petrova	11	"Advantages and procedures of Condominium formation. Alternative firms for Competitive housing Maintenance and Management in Moscow"
April 15-17	Moscow	Seminar/ Guild of Realtors	A.Kopeikin V.Klimenko	35	-
April 16-18	Sochi	Conference/ Minstroy RF	S.Sivayev	80	"Economic Issues of Engineering Provision of Cities and Local Self Management"
April 16	Moscow	Seminar/ UI Russian - American Sem. on federalism	A.Novikov	...	"Federal Law on Financial Fundamentals of Local Self Government and Its Possible Practical Implications for Municipal Regional Policy and Local Self Government Borrowing in Russia"
April 22-24	Moscow	Conference of the Union of Russian Cities	A.Khakhalin R.Odland	60	"Land allocation development on competitive basis: legal, economic and organizational issues"
April 22	Moscow	"Stroytech-96" Exhibition	D. Khomchenko A. Schiogolev	10	"New condominium law and housing reforms"
April 22-25	Moscow	Seminar/ UI AED/ QUDEL	D. Khomchenko A. Schiogolev L.Levina T.Koutakova S.Sivayev M.Pinegina A.Ovsyannikov	30	"Condominium follow-on training"
May	Kraskovo Moscow obl.	Seminar/ IQI/ AMB	D. Khomchenko T.Koutakova		"Condominiums and New Aspects of"
May 04	Vladimir	Seminar/ UI Unemployed Service	M. Biryukov	15	"Condominium Organization"
May 23	Cherepovetz	Seminar/City Admn/UI	M.Pinegina D. Homchenko O.Kim	65	"Condominium Associations Organization&Operation"
May 27	Moscow	Seminar/ Union of Apartment Owners/Housing Cooperatives and Associations	N.Nozdrina K.Petrova	11	"Association of condominium foundation procedures" "Competitive maintenance in Moscow"
May 25-28	Vladivostok	Presentation/ UI	M.Shapiro S.Sivayev	50	"Housing Competition Maintenance and Management"
May 27-29	Ufa	Seminar on State Housing Inspection Progress	P.Collins A.Ovsyannikov	50	"American Experience on State Housing Inspection Envolvement in Securing High Housing Maintenance Standards" "The State of Legal Base Development for State Housing inspections in RF"

May 28	St._Petersburg	Seminar/ Institute of Economy and Management	A.Puzanov	40	"Methodical questions of realization of Russian Housing Allowances Program"
May 30, 1996	Novocherkassk	Seminar/ City Admin.	D.Khomchenko A.Shegolev T.Koutakova	15	Condominiums
June 1-3	Golitsino Moscow obl.	Seminar IUE/ Dzerzhinski City Adm.	N.Kosareva A.Puzanov M.Shapiro  D.Homchenko T.Koutakova A.Suchkov  A.Novikov  A.Kopeikin L.Kolokolnikova	35	"Main Trends of Housing Reforming in the Cities of Russia" "Reforming of the System of Payment in Housing: Results and Challenges" "Creation on a Competitive Basis of the System of Housing Stock Maintenance" "Customer and Contractor Under Competitive Conditions of Housing Maintenance: Business Game." "Homeowners Associations: Legal Basis and Life" "Creation of Homeowners Associations in Newly Constructed Buildings" "Challenges of Mortgage Financing Development in Russia" "Procedures of Computation of Mortgage Loan Payments" "Projects of municipal Infrastructure Development Funding" "The Sources of Dept redemption within the Framework in the Infrastructure Finance Project" "Municipal Bonds: Issuing and Placement" "Land Use Regulation in the Cities: Zoning Procedures"
June 2-3	Salekhard	Seminar/ Analytic Center of President of RF	M.Pinegina		Housing Reforms
June 4	Moscow	Meeting of Board of Trustees of the Building Technology Information Center of Russia	R.Struyk	20	"Understanding Russian Construction"
June 5	Vladimir	Seminar/ UI Department of Housing	V.Prokofiev M.Biryukov	13	"Organization and Operation of Condominiums in Russia"
June 4-6	Moscow	Seminar/ IUE & International Academy of Enterprenership	M.Pinegina A.Puzanov M.Shapiro D.Khomchenko K.Petrova P.Collins	15	"Competitive Maintenance and President's Decree" "Origination of Housing Stock Maintenance Competition" "Monitoring of Private Contractor Maintenance Work"
June 5	Moscow	City Conference of Housing Organizations	M.Shapiro	300	Presentation of the UI Program of Housing Reforms
June 5	Moscow	5th Realtors Ann Congress	R.Struyk	250 60	"New Directions in Urban Urban Institute Work with the Guild" "Maintenance of Municipal Housing as a Business Opportunity"
June 6	Vladimir	Seminar/UI	S.Sivayev	12	Property Mangement and Condominiums

		Frunzenski Military Office	M.Biryukov		
June 4-7	Tomsk	Seminar on Capital Finance/ UI and RTI/ Association of Far Eastern and Western Siberian Cities	I.Dmitrieva A.Kopeikin A.Novikov	21	Capital Finance
June 10-11	Moscow	Seminar/UI	P.Collins V.Prokofiev	15	Training for Trainers (for UI team)
June 10-12	Pskov	Seminar on Capital Finance/ UI and RTI/ Union of Russian Cities	I.Dmitrieva A.Kopeikin R.Firestine	30	Capital Finance
June 10-12	Tumen	Seminar/UI & Union of Small Cities of Tumen Oblast	A.Suchkov D.Khomchenko M.Shapiro A.Tkachenko	28	Housing Finance in Russia Condominiums "Housing Maintenance Competition Organization"
June 13	Moscow	Presentation/ Institute of Engineering and Construction	T.Koutakova	7	"Condominium Organization"
June 13	Volhov	Seminar/UI City Adm.	O.Kim A.Shegolev	15	"Condominium Association Organization and Management"
June 17-19	Moscow	Seminar/UI & Fannie Mae	N.Dave A.Suchkov	27	"Fee Income Management"
June 18	Moscow	Seminar for Chairman of building cooperatives and housing associations/ Union of Apartment Owners	N.Nozdrina Y.Petrova	8	"Advantages of Condominium Formation" "Moscow Competitive Maintenance and Management program"
June 18, 19	Vladimir	Seminar / UI City Adm.	S.Sivaev V.Prokofiev D. Khomchenko A. Shegolev	10	Condominium Management
June 20-21	Gus'Khrustalny	Seminar/UI City Adm.	V.Prokofiev S. Sivaev D. Khomchenko A. Shegolev	10	Condominium Management
June 24-27	Moscow	Seminar/IUE & Institute for Improving the Qualification of Managers and Specialists of Construction	M.Shapiro M.Pinegina D.Khomchenko K. Petrova P. Collins A.Shegolev	22	Competitive Maintenance & President's Decree
June 24-27	Moscow	Seminar/IUE & International Academy of Enterprership	A.Puzanov S.Sivaev	12	"Social Protection Citizens under the Terms of Housing Payment Reform"



June 26-27	Moscow	Seminar/ Academy for Property Management	T.Koutakova V.Prokofiev	6	Condominium Management
July 1-2	N.Novgorod	Seminar/ UI	D. Khomchenko A. Shegolev	70	Condominium Management
July 8-9	N.Novgorod	Seminar/ UI	D.Dunbar A.Vysokovski		"Obtaining construction financing for real estate development: how to develop a construction loan application"
July 8-9	N. Novgorod	Seminar/UI City administr	D.Khomchenko M.Shapiro		For Representatives of the Regional Administration and Boards of Directors of Condominiums
July 11	Vladimir	Seminar/ UI	M. Biryukov		"New Job Opportunities in the Management of the Housing Stock"
July 22-25	Moscow	Seminar/UI Institute for Improving the Qualification of Managers and Specialists of Construction	D. Homchenko M. Pinegina M. Shapiro E. Petrova	11	"Maintenance, Repairs and Reconstruction of Housing"
Sept. 17-18	Suzdal	Seminar/UI	D. Khomchenko M.Shapiro V.Prokofiev S. Sivaev A.Novikov representatives of local administrations of Vladimir, Nizhny Novgorod, Gus-Khrustalny	60	"The Main Problems of Housing Reform in Russian Federation"
Sept. 19-20	Moscow	Seminar Minstroï	S.Sivaev	70	"Policy of Rent Payment and Organization of Customer Service"
Sept 23-26	Sochi	Seminar / UI	Suchkov Tkachenko Porzhenko Nioradze	15	Housing Construction Finance
Sept. 25-26	Moscow	Conference Moscow Licensing Chamber/Russian Guild of Realtors	B.Wiklund A.Khakhalin	400	"Draft Law on Licensing"
September 30	Moscow	Seminar/UI Institute for Improving the Qualification of Managers and Specialists of Construction	N.Nozdrina E.Petrova	15	"Condominium Formation / Competitive Maintenance"
October 1-3	Moscow	Workshop FNMA	Klepikova Suchkov Rogozhina Porzhenko Kopeikin Konyaev Zadonskii Tkachenko	17	"Cash Flow Management"

October 1-3	Novgorod	Seminar / UI City administr	Khomchenko Kopeikin Pinegina Kutakova Puzanov Novikov	60	"Housing and the City Economy"
October 17	St-Petersb	Seminar/UI	Firestine Novikov Dmitrieva Kopeikin		"Infrastructure Finance"
October 22-25	Vladivostok	Seminar/UI	Shapiro Sivaev Prokofiev Rumyantseva	120	"Customer Service/Condominium Associations"
October 29-30	N.Novgorod	Seminar/UI	Kutakova Prokofiev	20	"Traning Trainers"
October 24	Moscow	Seminar/UI Institute for Improving the Qualification of Managers and Specialists of Construction	N.Nozdrina E.Petrova	9	"Condominium Formation/ Competitive Maintenance & Management"
October 31	Moscow	Seminar/UI Guild of Realtors	Kosareva	40	"Agency for Mortgage Lending"
November 4-6	Moscow	Seminar/UI Union of Prokofiev Homeowners	Koutakova	20	"Traning Trainers"
Novemb 11-13	Moscow	Intl.Conference IUE/UI with USAID co- sponsorship	Struyk Kosareva Puzanov Shapiro Sivaev	100	"Rental Sector Reform in Eastern Europe and the Newly Independent States"
Novemb 19-22	Irkutsk	Seminar/UI	Wiklund Shapiro Petrova Pinegina Puzanov Khomchenko Kim	130	"Customer Service"
Novemb 26-27	Birobidzhan	Conference/ Oblast Housing Economy Board	Prokofiev	27	"Issues of reforming urban economics"
Novemb 26-28	Rostov-Don	Seminar/UI	Khomchenko Pinegina Sivaev Petrova Kim Stobetsky (USAID)	60	"Customer Service"
Novemb 27-28	Vladivostok	Seminar/UI	Suchkov Rogozhina Tkachenko Porzhenko Strebezh	56	"Housing Finance"
Novemb 28-29	Tver	Conference/	Shapiro	60	"Social Housing. Construction"

		KOLPRON Consultants, Minstroy, Tver administration, Dutch Ministry of Foreign Affairs UI	Pastukhova		and Maintenance: Problems and Solutions"
November 29	Khabarovsk	Seminar/ Krai Economy Department	Prokofiev	36	"Issues of reforming urban economics"
December 3-5	Moscow	Seminar/UI	Koutakova Prokofiev Schegolev	21	"Traning Trainers"
December 6	Moscow	Seminar for Chairmen of housing cooperatives & associations /Union of Apartment Owners	Petrova Nozdrina	9	"Moscow Competitive Maintenance and Management Program" "Advantages and Procedure of Condominium Formation"
December 16	Moscow	Book Presentation/Puzanov Moscow Carnegie Center		20	"Social Policy under Transition to Market Period"
Dec. 17-18	Vladivostok	Seminar/UI Oblast Adminstr. City Housing Economy Board	Sivaev Prokofiev Rummyantseva	85	Housing Economy Reforms Home Owners Associations
December 16-20	Moscow	Training/ UI/IUE	Suchkov Rogozhina Pastukhova Porzhenko Strebezh	14	"Basics of Mortgage Lending"
December 18	Moscow	Conference/ Federation Council	Firestine	28	"Financing of government enterprises and Corporations"
December 19	St-Pb	Conference/ City Property Management Committee	Gorodov		"Legal basis and current issues of condominium formation"
<b>1997</b>					
January 15	Moscow	Seminar/ Main State BTI office	Zadonsky	25	"Loan Registration" "DURER project"
January 16	St-P	Seminar/UI	Dmitrieva	4	"Infrastructure finance"
January 16	Gus-Khrustalny	Seminar/UI	Prokofiev Schegolev	15	"Financial management in Home Owners Associations"
January 17	Vladimir	Seminar/UI	Sivaev Schegolev Prokofiev	28	"Financial management in Home Owners Associations"
January 18	Vladimir	Seminar/UI	Sivaev Prokofiev	22	Policy of Housing Reforms
January 27-28	N.Novgorod	Seminar/UI City Adminstr.	Kosareva Puzanov	40	Program of Deepening the Housing Reform in 6 cities of N.Novgorod oblast

			Khomchenko Shapiro Pinegina		
February 4-6	St-Peterb	Seminar/UI	Khomchenko Shapiro Puzanov Pinegina Kutakova Gorodov Vasilyeva Mchedlishvili	150	"Customer Service and Condominium Formation"
February 4-6	Moscow	Seminar IUE	Kosareva Suchkov Klepikova	62	Secondary Mortgage Markets
Feb 12-13	Voronezh	Seminar/UI Russian Guild Realtors	Suchkov Zadonsky Porzhenko Tkachenko Dmitrieva	40	Residential Mortgage Lending and Problems of Realtors
Feb 17-18	Krasnoyarsk	Seminar/IUE Krai Administr.	Sivaev Pinegina	230	Rent Policy and Customer Service
Feb 18-19	Novgorod	Seminar/UI	Kutakova Schegolev	8	Condominium formation
Feb 20-23	Suzdal	Conf/ Foundation for Enterprise Restructuring	Sivaev Pinegina	55	Housing Reform Policy
Feb 22-24	Suzdal	Sem/ World Bank	Sivaev Pinegina Antonova	20	Enterprise Housing Divestiture
Feb 25	Vladivostok	Sem/Primorsky Krai Administr/ IUE	Sivaev Prokofiev Rumyantseva Shapiro	60	Condominium Formation
Feb 25-26	Khabarovsk	Sem/UI/Local Office of State Property Committee /Russian Society of Appraisers	Decker Zadonsky	87	Peculiarities of Enterprise Property Management under New Economic Condition in the Far East
Feb 25-27	Novosibirsk	Seminar/Public Center for Support of Housing Sector Reform	Pinegina	50	Housing Reform
Feb 26-27	Moscow	Seminar/Inter- Regional Association of Homeowners	Puzanov Kutakova Khomchenko Petrova	130	Reforms in Housing and Communal Services
Feb 27	Moscow	Conference/ International Investment Union/Minstroy	Kosareva	100	Investment to the Construction Industry
March 13	Perm	Seminar/IUE UI/Russian Guild of Realtors	Decker Rogozhina Porzhenko McCarty	50	Construction and Mortgage Lending for Housing

Mar 24-25	Novgorod	Seminar/ World Bank	Puzanov Pinegina Sivaev	30	Main Directions of Accelerating the Housing Reform in 1997
Mar 24-28	Moscow	Seminar/IUE	Suchkov Rogozhina Pastukhova Porzhenko Strebezh	22	Sertified Mortgage Lender Program: Part2
April 3	Samara	Seminar/UI Povolzh'e Guild of Realtors	Kutakova	35	Lisensing of Realtor's Activity
April 3	Moscow	Seminar/ Union of Home Owners	Petrova	15	Competitive Maintenance
April 8-11	Irkutsk	Seminar/UI East Siberian Bank	Suchkov Kopeikin Novikov Dmitrieva	47	Mortgage Finance and Infractructure Finance
April 10	Togliatti	Seminar/UI Povolzh'e Guild of Realtors	Zadonsky Schegolev	50	Lisensing of Realtor's Activity
April 15-17	Rostov-Don	Seminar/ UI City Administr.	Khomchenko Puzanov Schegolev Prokofiev Kolesnikov	170	Improving the System of Maintenance and Management of the Housing Stock. Policy of Housing and Communal Services Payments. Condominiums.
April 16	Nizhny Novgorod	Seminar/ Russian Society of Appraisers	Suchkov	60	Agency for Mortgage Lending
April 16	Moscow	Training / City's Order Board	Shapiro	90	Due Procedures for Housing Maintenance Competitions
April 22-23	Kiev	Seminar/TACIS	Suchkov Rogozhina Pastukhova	40	Problems and Prospects of Mortgage Lending
April 22-24	Ryazan	Seminar/UI City Administration	Kolesnikov Prokofiev Rumyantseva	63	Condominium Property Management
April 22-24	Petrozavodsk	Seminar/UI City Administr	Pinegina Schegolev Mchedlishvili Kim	23	Home Owners Associations Training
April 24	St-Peterburg	Seminar/UI	Gorodov Shegolev Vasilyeva Mchedlishvili	21	Home Owners Associations as a New Form of Housing Management
April 29	Samara	Seminar/UI PADCO, ILBE	Vysokovsky	50	Zoning
May 19-20	Moscow	Conference/ Minstroj	Sivaev Puzanov Kutakova	50	All-Russia Conference on Housing Reforms
May 21-22	Moscow	Seminar/Inter- Regional Assoc.	Puzanov		Housing Reforms

of Home Owners					
May 22-23	Cheboksary	Seminar/ Oblast Administration IUE	Sivaev Goltseva Roumyantseva Molchanov	150	Housing Reforms
May 29	Samara	Conference/ Government of RF Ministroi/ IUE	Kosareva	700	Interdepartmental Council on Housing Policy
May 30	Samara	Seminar/IUE Ministroi	Puzanov Khomchenko Shapiro	70	Housing Reforms
June 3-4	Orenburg	Seminar/UI	Kutakova Rumyantseva	25	Training for Condominium Board Members
June 5	Moscow	Seminar/ Prefecture of South-East Administrative District/IUE	Shapiro Petrova	400	City Seminar for Moscow Prefectures
June 9	St.-Petersburg	Seminar/UI City Administr.	Petrova	100	Maintenance Contract Monitoring Procedures
June 9-11	Ulyanovsk	Seminar/UI City Administr.	Shapiro Goltseva Khomchenko Novikov	170	Regional Program Presentation. Privatization of Housing Maintenance and Management
June 15-16	St.-Petersburg	Seminar/UI City Administr.	Schegolev Petrova Vasilyeva	120	Housing Communal Economy in the Transition Period
June 16-17	Perm	Seminar/UI	Goltseva Kim Dmitrieva Zadonsky Dmitriev	115	Housing Reforms
June 17	Angarsk	Seminar/IUE	Kutakova Kolesnikov Molchanov	28	Condominium Associations
June 17-18	Irkutsk	Seminar/UI City/Oblast Administration	Khomchenko Kutakova Rumyantseva Kolesnikov	81	Condominium Associations
June 17-19	St.-Petersburg	Seminar/UI Intl. Banks' Institute	Klepikova Afanasjeva Tkachenko Khoroshenkov	15	Commercial Real Estate Lending
June 19	Moscow	Conference/ Ministroi/Kolpron	Shapiro Pastukhova	30	Housing Construction and Housing Communal Economy in Russia and Netherlands
June 20	Bratsk	Seminar/IUE	Khomchenko Molchanov Kolesnikov	87	Condominium Associations
June 20	Moscow	Congress/ Russian Guild of Realtors	Shapiro Kutakova Suchkov	50	Housing Maintenance and Management Condominium Associations Problems of Mortgage Lending Development in
RF					

June 24-25	Moscow	Seminar/Union of Russian Cities	Sivaev	55	Reforming Housing and Communal Sector
June 24-26	Vladivostok	Seminar/IUE Krai Administr.	Prokofiev Schegolev Shapiro Goltseva Novikov Svistunov	180	Issues of implementing the Housing Reform Concept
June 24-27	Moscow	Seminar/UI	Suchkov Kopeikin Rogozhina Pastukhova Strebez Porzhenko	19	"Certified Mortgage Lender" - Third Course on Basics of Pricing and Management Risks in Mortgage Lending
July 1	Samara	Seminar/IUE City Administr.	Rumyantseva Kolesnikov	30	Condominium Associations
July 1	Moscow	Seminar/Russian Regional Development Bank	Novikov Dmitrieva Svistunov	34	Schemes of Non-Budget Resources Used for Long-Term Financing of Urban Infrastructure
July 3	Moscow	Conference/Minstroy/Kolpron Cons.	Shapiro Pastukhova	50	Housing Communal Economy Mortgage Lending Development in Russia
July 3	Moscow	Seminar/Academy of Entrepreneurship	Puzanov Sivaev	30	Main Directions of Housing Communal Economy Reforms
July 4	Moscow	Round-Table on Housing Reforms/Institute for Economic Forecasting	Nozdrina	40	Mechanism of Implementation of Housing Reforms and Housing Reform Program in Moscow
July 8	Moscow	Seminar on Housing Reforms/Mayor's Office	Nozdrina	200	Registration of Condominium Associations
July 10-11	Moscow	Seminar/UI Arthur Andersen	Zadonsky Decker	60	Real Estate Information System
July 14	Saratov	Seminar/Minstroy	Suchkov Klepikova Pastukhova Porzhenko	106	Mortgage Lending in Russia
July 28	Moscow	Workshop/IUE	Klepikova Afanasieva Romanov Khoroshenkov	15	Commercial Real Estate Lending
Sept 10	Moscow	Workshop/UI / USAID	Struyk Puzanov Novikov Schegolev Anotonova	20	Communal Services in Russian Federation

Sept 10-12	Irkutsk	Seminar/ City Administr. City Guild of Realtors / City Appraisers' Union/ Realtors' Association "Siberian House"	Khomchenko	35	Problems of Developing Real Estate Market and Appraisal Activity in Russia
Sept 10-14	Volga	5th Intl Conference/ Minstroj/ World Bank	Kosareva Puzanov	170	Housing Mortgage Finance in Russia Problems of Implementing the Condominium Law Rent Reform Housing Allowances
Sept 16	Voronezh	UI/Russian Guild of Realtors	Zadonsky	72	Registration of Real Estate Rights
Sept 18-19	Ekateringurg	Conference/ Federal Comission on Securities Market	Novikov Kopeikin	120	Municipal Securities and their Role in Developing Regional Infrastructure
Sept 24-25	St-Petersburg	Seminar/IUE City Adm.	Shapiro Sivayev Schegolev Gorodov Vasilyeva Mchedlishvili	60	Issues of Implementation the Housing Reform Concept
Sept 24-25	St-Petersburg	Seminar/IUE StP Association of Commercial Banks	Dmitrieva Svistunov	30	Long-Term Financing of Urban Infrastructure
Sept 25	Ryazan	Seminar/IUE Local Adm.	Gentsler Kolesnikov Rumyantseva	40	Condominium Associations
Sept 29-30 in Far	Khabarovsk	Seminar/IUE	Prokofiev Romanov Zadonsky	112	Peculiarities of Development of Real Estate Market and their Influence on Investment Activity East Regions
Sept 29	St.Petersburg	Seminar/ St-P Association of Commercial Banks	Dmitrieva Svistunov	8	Investment into City Programs
Oct 2-3	Sochi	Seminar/UI Russian Society of Appraisals	Decker	38	Appraising the Commercial Real Estate Objects
Oct 6-9	Ryazan	Seminar/ Gosstroj City Administr.	Roumyantseva	42	Housing Reform and Condominium Associations
Oct 6	Tver Oblast	Seminar/ Stroipolimer	Svistunov	55	Long-Term Finance of Urban Infrastructure
Oct 9	Nizhny Novgorod	Seminar/Oblast Administration	Goltseva	51	Creating Competitive Enviroment in Housing Sphere
Oct 14-16	Moscow	Seminar/Intl. Center of Econo- my & Legal Studies/Ministry of Economy	Shapiro	150	Peculiarities of Implementation of Housing Economy Refomr in Moscow



Oct 14-16	Vologda	Seminar/ Chemonics	Sivaev Puzanov Shapiro Schegolev Antonova Goltseva	52	Housing Reform
Oct 22	Moscow	Seminar/IUE	Pastukhova Suchkov Kopeikin	15	Long-Term Mortgage Finance and Prospectives of Secondary Mortgage Loan Market Development
Oct 23-24	Samara	Seminar/EERP Russian Guild of Realtors/ UI	Decker Roumyantseva	80	Legal Basis of Real Estate Market Development
Oct 24	Vydneye of Moscow Oblast	Seminar / Kolpron Conslt.	Shapiro	50	Main Problems of Housing Reform
Oct. 22	Moscow	Seminar/CENEF	Novikov	12	Long-Term Infrastructure Financing
Oct 29	Moscow	Round Table Presidential Board on Local Self- Government	Kosareva Sivaev	13	Issues of Implementing the Housing Reform by Local Self-Governing Institutions
Nov 10-14	Moscow	Seminar/IUE	Suchkov Pastukhova Klementiev Strebezh	18	Basics of Mortgage Lending (Certified Mortgage Lender Program)
Nov 11	Ivanteevka	Seminar/ City Administr.	Prokofiev Gentsler	60	Problems of De-Monopolising the Housing Sector
Nov 11-12	Moscow	Conference/ Gosstroil/ Anti-Monopoly Comittee/ Intl. Center for Financial and Economic Development	Kosareva Puzanov	400	Housing Reform-Strategy of Development for Period till Year 2000.
Nov 24-25	Petrozavodsk	Conference/ World Bank	Novikov Sivaev Pinegina Eigel	50	Coordination Meeting of Cities Participating in World Bank Projects
Nov 26-27	Astrakhan	Conference/ Stroypolimer Intech, Fineckos, UI	Svistunov	250	Reconstruction and Repairment of Utility Pipelines using modern technologies and Additional Sources of Financing the Reconstruction and Development of Urban Infrastructure
Nov 26-28	N. Novgorod	Seminar/ Finance Department of Oblast Administration	Goltseva	150	Budget Planning and Implementation of Housing Reform in Novgorod Oblast
Nov 28	St. Petersburg	Seminar/Oblast Administration	Pinegina	70	Housing Reforms
Dec 8-11	Pskov	Seminar/City Administration IUE	Novikov Vetrov De Santis	15	Long-Term Infrastructure Finance as a Stimulating Factor of Urban Economics Development
Dec. 10	N. Novgorod	Department of Construction &	Roumyantseva	52	Creation and Activities of Condominiums

		Housing/City Administration			
Dec. 10-11	Krasnodar	Russian Society of Appraisers/ Institute of Independent Appraisers/ IUE	Zadonsky	120	Legal Issues of Real Estate Market Development
Dec. 15-19	Moscow	Seminar/IUE	Pastukhova Klement'ev Klepikova Suchkov Strebezh	20	Certified Mortgage Lender - Second Stage Course
Dec. 17-18	Moscow	Association of Coal Mining Cities	Sivaev Shapiro	60	Problems of Coal Mining Cities
1998					
Jan. 20-21	Novgorod	Gosstroi City Administr. IUE/seminar	Kosareva Sivaev Puzanov Shapiro Pinegina Prokofiev Kolesnikov Vasilyeva Schegolev Novikov Eigel	50	The Experience of Housing Reform Implementation in Russian Cities
Jan 21	Podolsk (Moscow Oblast)	Moscow Oblast Administr. Gosstroi, Goskomecologia, Association of International Partnership "Russky Svet"	Novikov Schegolev Svistunov	300	Modern Technologies and Equipment as a Basis for Housing Reforms in Moscow Oblast
Jan 29	Gus-Krustalny	seminar/ IUE/City Administration	Prokofiev Schegolev	30	Competitive maintenance, local tariffs regulation
Feb. 4-6	Arkhangelsk	UI/City Admin. seminar	Vetrov Pilman Novikov	17	Economic Development of Arkhangelsk
Feb 9-11	Krasnoyarsk	IUE/Krai Administr./ seminar	Sivaev Kolesnikov Shapiro	70	Main Issues of Housing Reforms
Feb 11	Rostov-on-Don	Seminar/IUE	Zadonsky	70	Investment Policy and Real Estate Tax Reform
Feb. 10-11	Magadan	Seminar City Administration	Schegolev Prokofiev Molchanov	68	Main issues of Housing Reform Implementation

Feb. 11-12	Dubna	Seminar/ IUE, City Administration	Sivaev	35	Peculiarities of Housing Reforms in Small Towns
Feb. 18-19	Tobolsk	Seminar/ IUE, City Administration	Sivaev Bolshakov Molchanov	65	Main Directions of Housing Economy Reform
Feb. 19-20	Izhevsk	Seminar/IUE	Goltseva Shapiro	250	Main Directions of Housing Economy Reform
Feb. 19-22	Moscow	Seminar/ Municipal Housing Committee, Center of Assistance to Housing Reforms	Kutakova	90	Condominium Registration, Defining Boundaries of Condominium Land Plots
Feb. 25	Moscow	Seminar/ USAID	Kosareva	125	NGO Sustainability
March 4-6	Stavropol	Seminar/ Society of Appraisors	Decker Zadonsky Roumyantsev	43	Main Issues of Real Estate Market Development
March 17-18	Moscow	Seminar/UI. IUE	Kaganova Vysokovsky Khakhalin	10	Real Estate Reform Indicators
March 18-19	Novgorod	Conference/ Gosstroi Novgorod Oblast Administration	Novikov	500	New technologies for reconstruction of communal pipelines
March 18-20	Moscow	Seminar/ Academy of National Zadonsky Economy/ IUE	Suchkov Pilman Roumyantsev Vysokovsky Khakhalin	13	Real Estate Reform
March 20	Vladimir	Seminar/IUE Oblast & City Administration	Sivaev Schegolev Prokofiev	130	Main directions of housing reforms
March 25-26	Moscow	Conference/ Institute for Improving the Qualification of State Employees	Sivaev	40	Housing Sector Reforms
March 25-27	Kaliningrad	Seminar/IUE	Decker Roumyantsev	65	Main Issues of Real Estate Market Development
March 26	Moscow	Workshop/ IUE USAID/ AED	Klementiev Tkachenko	15	The Basics of Real Estate Market in Russia
March 26-27	Moscow	Intl. Conference/ Adam Smith Institute	Novikov Kopeikin	300	Finance and Investment for Russian Regions
March 30- April 3	Moscow	Training/IUE	Suchkov Gasyak Strebezh Klementiev Pastukhova Rogozhina	19	The Certified Mortgage Lender. Part I

March 31 April 1	Moscow	Seminar/ Center for Retraining Housing Sector Employees	Pinegina Koutakova	10	Housing and Communal Reforms
April 2-3	Moscow	Conference/ Moscow Scientific Fund	Vetrov	50	Local Self-Government. Urban Economic Development
April 6-7	Irkutsk	Seminar/ Siberian Institute of Appraisal	Decker Zadonsky	132	Main Issues of Real Estate Market Development
April 8-9s	Kostroma	Seminar/ IUE Oblast Admini- stration	Shapiro Sivaev Vetrov Kolesnikov Svistunov	80	Main directions of housing reforms
April 16	Novgorod	Roundtable/UI IUE. Oblast Administration	Butler Miller Khakhalin Molchanov	40	Regional Land Reform
April 15-16	Kazan	Seminar/IUE State Committee of Tatarstan on Property Management/ Tatarstan Training Courses on Improving the Qualification of Deputies	Prokofiev Kolesnikov	50	Condominium formation, activities and
April 21-22	Tyumen	Seminar/Union of Tyumen Oblast Municipalities/ Union of Ural Cities	Sivaev Molchanov	150	Main Directions of Housing and Communal Reforms
April 22	Moscow	Seminar/ CENEf. Agency for Environmental Protection	Novikov	100	Long-Term Finance of Capital Investment into Housing Communal Sector
April 23-24	Voronezh	Seminar/IUE City Guild of Realtors	Zadonsky Dmitriev	83	Main Issues of Real Estate Market Development
April 27-28	Novgorod	Intl. seminar/ Union of Russian Cities/ European Union	Novikov Vetrov	70	Local governments and urban economics: problems and prospects of development
April 27-29	Novosibirsk	Seminar/IUE City Society of Appraisors	Zadonsky	104	Main Issues of Real Estate Market Development
April 28	Moscow	Seminar Military Insurance Co.	Klepikova Gasyak Klementiev Gofman	300	State Housing Certificates
May 12	Moscow	Round-Table Center for	Novikov Vetrov	40	Relations between the Center and Regions in RF

Ethnopolitical & Regional Studies/ Russian Committee for Peace Defendence/ Friedrich Naumann Fund					
May 12-14	Sochi	Seminar Russian Association of Water-Supply & Waste-Water Collection Enterprises	Schegolev Svistunov	120	Infrastructure finance
May 13-15	Cherepovets	Fund for Enterprise	Pinegina Sivaev Schegolev	40	Main issues of housing reforms
May 15-16	Moscow	Parliamentary Hearings/Seminar RF State Duma, Gosstroj, Ministry of Economy, AHML, Lehman Bros., World Bank	Kosareva Suchkov Kopeikin	200	Development of Residential Mortgage Market in Russia
May 18-22	Moscow	Seminar/IUE	Pastukhova Klementiev Klepikova Suchkov Gasyak Rogozhina	20	The Certified Mortgage Lender. Part II
May 21	Krasnodar	Seminar/Russian Society of Appraisers	Zadonsky	120	Real Estate Registration
May 25-29	Dubna, Moscow Oblast	Seminar/Novikov Moscow Oblast Administration, Dubna Mayor's office, "Investment Department Joint-Stock Co.		60	Municipal securities
May 26-27	Samara	Seminar/UI City Guild of Realtors, City Society of Appraisers	Decker Zadonsky	75	Main Issues of Real Estate Market Development
May 28-29	Moscow	Intl. Seminar/ TACIS Union of Russian Constitutionalists, IRIS (University of Maryland)	Novikov Eigel	60	Unity and differentiation between the Russian regions
May 28	Moscow	Conference/ RF Ministry for Labor & Social Development	Liborakina	300	Women & Development
May 29	Moscow	Coordination Meeting/ Gosstroj	Sivaev	40	Coordination meeting of the Union of Russian North-Western Cities Management Board : Housing Reforms Issues
June 2	Moscow	Conference/	Svistunov	70	Russian enterprises: through restructuring to investment

Exhibit- Russian Privatization Center. "Expert-RA" rating agency					
June 2-3	Novocherkassk	Inter-regional Educational Center	Prokofiev Roumyantseva Koutakova	50	Main directions of housing and communal reforms. Condominiums's formation and activities
June 2-3	London	Intl. Conference/ Adam Smith Institute	Novikov Mayorova	50	Rating and It's Role in Estimating the Credit Risk in Developing Markets
June 2-3	Moscow	Seminar/ OST-Euro	Liborakina	40	Mechanisms of Assisting the Municipal Economic Development
June 3-4	Moscow	Seminar/ International Public Scientific Fund	Novikov	30	Municipal Bonds as an Instrument for Municipal Financial Systems
June 4-5	Golitsino	Conference/ Moscow Science Fund	Novikov	35	Municipal Bonds
June 9-10	Tyumen	Seminar/ UI City Guild of Realtors, City Society of Appraisers	Decker Zadonsky	70	Main Issues of Real Estate Market Development
June 10	Moscow	Seminar/IUE	Kosareva Tkachenko Butler Dovgyallo Khoroshenkov Gofman Gasyak	25	Mortgage Lending Development in Russia
June 16-18	Cherepovets	Roundtable World Bank IUE	Sivaev Novikov Pinegina Schegolev	50	Meeting for the WB Enterprise Housing Divestiture Project
June 16-18	Samara	Seminar/Oblast Registration Chamber	Zadonsky Roumyantsev	20	Registration Procedure Manual
June 17	Moscow	Seminar/ PADCO IUE, ILBE	Khakhalin	50	Closeout seminar of "Modern Land Use Regulatory System (Zoning)" Project
June 18-19	Budapest	Conference/ USAID, ICMA, Soros Foundation	Novikov	45	Municipal Finance
June 19-26	Sochi	Seminar/Institute for Improving Qualifications of Housing Communal Sector Personnel	Sivaev	55	Development of Competitive Trends and Contractual Relations in Housing Communal Sector
June 22	Moscow	Seminar/ Moscow City Duma	Pastukhova Gasyak	14	Long-Term Mortgage Finance in Russia
June 23-25	Moscow	Seminar/IUE	Pastukhova	18	The Certified Mortgage Lender

			Suchkov Rogozhina Klementiev Gasyak Markov		
June 25	Moscow	Congress/ Russian Guild of Realtors	Kosareva Suchkov Kopeikin	500	National Real Estate Congress. VII Congress of the Russian Guild of Realtors
June 25-26	Uzhno-Sakhalinsk	Seminar/UI City Guild of Realtors. City Society of Appraisers	Decker Zadonsky Roumyantsev Vetrov Gofman	77	Main Issues of Real Estate Market Development
June 29-July 1	Khabarovsk	Seminar/UI City Guild of Realtors. City Society of Appraisers	Decker Zadonsky Roumyantsev Vetrov Gofman	76	Main Issues of Real Estate Market Development
July 2	Moscow	Seminar/IUE Agency for Mortgage Lending	Pastukhova Rogozhina	25	Organizational, Legal and Methodical Aspects of Cooperation between the Agency for Mortgage Lending and Banks on the Mortgage Loans Market
July 2-3	Yaroslavl	Seminar/ Department of City Economy	Koutakova Prokofiev Khomchenko	25	Re-organizing the system of housing communal sector management and condominium formation
July 18-19	Puschino, Moscow Oblast	Seminar/ World Bank, RF Ministry of Finance	Novikov	35	International Experience and Russian Practice of Financial Management in Federation Units
July 20	Baltiysk	Seminar/IUE, Euro-Baltic Corporation	Dovgyallo Pilman	10	Construction Period Finance
August 27-28	Krasnoyarsk	Seminar/ Minzemstroi	Sivaev Schegolev Kolesnikov	150	Regional Meeting on Housing Communal Sector Problems

## Annex I

DATE	PROJ. / SPONSOR	REPORT TITLE	AUTHOR	RUSSIA N TEXT
HOUSING MARKETS, PROGRAMS AND FINANCE				
		and Answers	Petrova	
2/97	6306-012	Summary of Laws Relating to Housing and Urban Development in the RF	Butler O'Leary	
2/97	6611	Preparation of Public Offering Statement for a Condominium under Construction	Kutakova	Only
1/97	6611	Questions and Answers about Home Owners Associations	Khomchenko Kutakova	Only
12/96	6306-09	How to Organize the Contest on Maintenance of Housing Stock. Moscow Case Study	Shapiro Petrova	Only
11/96	6306-09	Introduction of Targeted Subsidies For Rent And Utility Services in Eastern Europe and Commonwealth of Independent States	Puzanov	Yes
11/96	6306-09	Promoting Efficient Operation in Divested Russian Enterprise Housing: October 1995 - October 1996	Wiklund Collins	
11/96	6306-09	The Law and Economics of Historic Preservation in St. Petersburg, Russia	Butler Nayyar-Stone O'Leary	Yes
11/96	6306-09	Loan Contract and Mortgage Contract for Mortgage Loans to Private Individuals: Drawing-Up Guidelines	Porzhenko	Only
11/96	6306-09	Payment for Housing and Utilities in the RF in January-September 1996	Puzanov Grishanov	Only
10/96	6611	Developers' Handbook for Obtaining Bank Finance	PADCO	Yes
10/96	6306-09	Associations of Home Owners - Your Choice	Kutakova	Only
10/96	6306-09	Recommendations on Accounting and Book-keeping in Home Owners Associations	Schegolev	Only
10/96	6306-09	Zoning: Municipal Management of New Land Relations	Kolokolnikova	Only
10/96	6306-09	Recommendation to Banks on Use of Housing Savings Programs. Issue 3, «Housing Finance in Russia»	Rogozhina	Only
10/96	6306-09	De-monopolizing Housing Stock Management and Maintenance	Pinegina Khomchenko Kim Sivaev Petrova Shapiro	Only



DATE	PROJ. # / SPONSOR	REPORT TITLE	AUTHOR	RUSSIA N TEXT
HOUSING MARKETS, PROGRAMS AND FINANCE				
10/96	6306-09	Condominium Property Management. Training for Trainers.	Kutakova Gentsler	Only
9/96	6306-11	The Land-Use Control System in Five Countries: Potential Lessons for Russia	Odland	Yes
9/96	6306-09	Dynamics of Housing Privatization in Moscow	Romanik Struyk	
9/96	6306-09	Transforming Multifamily Housing Operation in Eastern Europe and the Former Soviet Union	Struyk	Yes
9/96	6306-09	Infrastructure Exactions on Development of Real Estate: Implications of International Experience for Russian Markets	Butler	Yes
8/96	6306-09	Reform of Housing Maintenance and Management in Moscow	Lee Petrova Shapiro Struyk	Yes
7/96	6306-09	Recommendation for the Development of the Downpayment Subsidy Program	Klepikova	Only
6/96	6611	Promoting Efficient Operation in Divested Russian Enterprise Housing: A Mid-Course Assessment	Collins	
6/96	6306-09	Results of the Moscow Longitudinal Household Survey: Description of the Sample	Lee Romanik	Yes
5/96	6306-09	Evolving Housing Maintenance and Management in Moscow, 1991-1996	Lee Petrova Shapiro Struyk	Yes
5/96	6306-09	Moscow Longitudinal Survey: Description of the Sample	Lee Romanik	Yes
4/96	6306-09	Participation in Russia's Housing Allowance Program	Struyk Romanik	Yes
4/96	6306-09	Training for Condominium Association Executive Boards, (1) Instructors Guide & (2) Textbook	Warsaw Khomchenko Kutakova	Yes
4/96	6306-09	Housing Inspection in the U.S.A.: Experience and Recommendations		Yes
3/96	6306-09	Monitoring Russia's Experience with Housing Allowances	Struyk Puzanov	Yes

DATE	PROJ. # / SPONSOR	REPORT TITLE	AUTHOR	RUSSIA N TEXT
HOUSING MARKETS, PROGRAMS AND FINANCE				
			Lee	
2/96	6306-09	Training Program for Condominium Managers, (1) Instructor's Guide & (2) Textbook	Warsaw	Yes
2/96	6306-09	Summary of Laws Relating to Housing and Urban Development in the Russian Federation	O'Leary Butler	
2/96	6306-09	Transfer to the New System of Housing Payments and Introduction of Housing Allowances in Russian Federation in 1994- 1995: Results and Problems	Puzanov	ONLY
1/96	6384-07	Russian Enterprise Housing Divestiture	O'Leary et al.	Summa ry
1/96	6306-09	Land for Housing: Urban Land Privatization Demonstration Project	Butler et al.	Yes
12/95	6306-09	Housing Allowance Program: Manual on Income Verification Procedures	Holcomb Puzanov	Yes
10/95	6306-09	Payment for Housing and Utilities in the Russian Federation in May-August 1995	Ovsiannikov Puzanov Lee	Yes
10/95	6306-09	Preparation of Sale-Purchase Agreements for New Construction Condominiums	Kutakova	Yes
9/95	6306-09	Part I of the Russian Federation Civil Code: Summaries of Articles on Housing Sector Issues	Platkin	
9/95	6306-09	Residential Mobility in Moscow During the Transition	Struyk Lee	
9/95	6306-09	Summary of Laws Relating to Housing and Urban Development in the Russian Federation	Butler O'Leary Platkin	
8/95	6306-09	The Evolving Housing Market in Moscow: Indicators of Reform	Daniell Struyk	Yes
8/95	6306-09	Housing Demand in a Transitional Economy: The Case of Moscow	Struyk Winterbottom	Yes
7/95	6306-08	Housing Allowances Program: Monitoring Manual on Reporting System and Quality Control	Rizor	Yes
7/95	6306-09	Housing Affordability in Russia	Romanik	Yes
7/95	6306-09	Moscow Household Panel Survey: Description of the Sample	Lee Romanik	

DATE	PROJ. # / SPONSOR	REPORT TITLE	AUTHOR	RUSSIA N TEXT
HOUSING MARKETS, PROGRAMS AND FINANCE				
7/95	6306-08	Housing Allowance Program Monitoring Manual	Rizor	Yes
6/95	6306-09	Russia: Fast Starter--Housing Sector Reform, 1991-1995	Kosareva Puzanov Tikhomirova	Yes
6/95	6477-00	Evaluation of the Housing Certificate Option for Assisting Retired Russian Officers Obtain Housing	Romanik Struyk	Yes
6/95	6306-09	Housing Indicators for Moscow and Russia: 1989-94	Pchelintsev Belkina Tcherbakova	
5/95	6306-09	Transfer to the New System of Housing Payments and Introduction of Housing Allowances in the Russian Federation: Results and Problems	Puzanov	ONLY
5/95	6306-09	Emerging Long-Term Housing Finance in Russia	Kosareva Struyk	Yes
5/95	6306-09	Regional Differences in Housing Affordability in Russia	Pchelintsev Nozdrina	Yes
5/95	6306-09	Russian Housing Reform: 1991-1995	Kosareva Puzanov Tikhomirova	
3/95	6306-08	Manual for Appraisal of Municipal Land for Auctions and Bids	Kaganova	ONLY
3/95	6306-08	Structuring Mortgaged Backed Securities (MBS) for the Deferred Adjustable Instrument for Russia (DAIR)	Bernstein	Yes
2/95	6306-09	Housing Indicators for Moscow: 1989-1993	Pchelintsev, Belkina Tcherbakova	
2/95	6306-08	Development of the Market for New Housing in Seven Cities of the Russian Federation in 1993	Kaganova	Yes
2/95	6306-08	Residential Real Estate Transactions in the Russian Federation	O'Leary	Yes
2/95	6306-09	Summary of Laws Relating to Housing and Urban Development in the Russian Federation	Butler, O'Leary, Platkin	
1/95	6306-09	Development of the Market for New Housing in Seven Russian Cities in 1993	Kaganova	

DATE	PROJ. # / SPONSOR	REPORT TITLE	AUTHOR	RUSSIA N TEXT
HOUSING MARKETS, PROGRAMS AND FINANCE				
1/95	6306-09	Monitoring Russia's Early Experience with Housing Allowances	Struyk, Puzanov	
1/95	6306-09	The Russian Dacha Phenomenon	Struyk, Angelici	Yes
12/94	6306-09	A Note on Residential Mobility in Urban Russia	Struyk, Romanik	
10/94	6477-00	Assisting Demobilized Russian Officers Obtain Housing: The Housing Certificate Option	Romanik, Struyk	
10/94	6306-09	A Comparison of the Condition of Russia's Municipal and Departmental Housing Stock	Struyk, Romanik	
10/94	6306-09	Russia's Early Experience with Private Housing Maintenance and Management	Struyk	
10/94	6306-09	An Analysis of the Main Directions in Russian Federation Policy on Housing Facilities Controlled by Enterprises	Kosareva	
10/94	6477-00	An Evaluation of the Dwelling Purchase Certificate Pilot Program for Retired Military Officers	Struyk, Romanik	Yes
9/94	6306-09	Transition in the Russian Housing Sector: 1993-1994	Struyk, Kosareva	
9/94	6306-08	Summary of Laws Relating to Housing and Urban Development in the Russian Federation	Butler, O'Leary	
8/94	6306-09	Housing Privatization in Urban Russia	Struyk, Daniell	Yes
7/94	6306-09	Exploring Russian Urban Housing Markets: The World Bank-USAID Surveys in Seven Cities	Struyk	Yes
6/94	6306-05	Condominium Operations and Management Training Manual	Rabenhorst	Yes
5/94	6306-09	Transition in the Russian Housing Sector: 1991-1994	Struyk, Kosareva	Yes
4/94	6306-07	Pricing Manual: Military Housing Certificate Program (Novgorod)	Katsura	
4/94	6306-07	Bank Administrative Procedures and Guidelines:	Mawhinney, Ravicz	Yes

DATE	PROJ. # / SPONSOR	REPORT TITLE	AUTHOR	RUSSIAN TEXT
HOUSING MARKETS, PROGRAMS AND FINANCE				
		Military Certificate Program		
4/94	6306-07	Procedures for Implementing the Russian Military Housing Certificate Program	Quadel Consulting	Yes
4/94	6306-09	Private Contractor Training Materials for Privatization of Maintenance and Management of Municipal Housing	Olson	Yes
4/94	6306-05	Private Maintenance for Moscow's Municipal Housing: Does It Work?	Angelici, Struyk, Tikhomirova	Yes
3/94	6306-09	Problems in Economics	Struyk et al.	
3/94	6306-03	Summary of Laws Relating to Housing and Urban Development in the Russian Federation	Butler, O'Leary	No
3/94	6306-05	Analysis of Database Status of the Moscow Department of Municipal Housing	Gerson	
2/94	6306-05	Property Management Training Modules on: Landlord Resident Relations, Rent Collection, Apartment Turnover Preparation	Rizor	
2/94	6306-04	Housing Demand in Moscow	Daniel	Yes
1/94	6306-06	Presentation to the Six City Seminar on Title Registration, Land Use Regulation and Land Allocation	Butler, Einsweiler, Eckert, Kalinina, Kayden, Robinson	Yes
1/94	2289	Delivering Technical Assistance in Eastern Europe and Russia: Lessons from the Field	Struyk	
1/94	6306-04	Model RFP and Contract for Privatization of Housing Management	Olson	Yes
1/94	6306-05	Housing Allowances Administration Procedures Manual	Puzanov, Rizor	Yes
12/93	6306-04	Action Program for Housing Finance in the Oblast of Nizhni Novgorod	Kosareva, Struyk	Yes
12/93	6306-03	The Legal Basis for Land Allocation in the Russian Federation, and Appendices	Butler, O'Leary	Yes
10/93	6306-05	Concept for the Creation and Initial	Dennis	

DATE	PROJ. # / SPONSOR	REPORT TITLE	AUTHOR	RUSSIA N TEXT
HOUSING MARKETS, PROGRAMS AND FINANCE				
		Activities of the Center for Financial Training ....		
10/93	6306-03	Summary of Laws Relating to Housing and Urban Development in the Russian Federation	Butler, O'Leary	
8/93	6306-04	Housing Indicators for Moscow and the Russian Federation, 1992	Pchelintsev, Belkina, Ronkin, Tcherbakova	
8/93	6306-04	Initial Evaluation of Private Maintenance for Moscow's Municipal Housing Stock	Angelici, Struyk	Yes
8/93	6306-03	Tracking Change in Moscow's Housing Sector	Daniell, Struyk	
7/93	6306-04	Facilitator's Guide to Management Training Courses	Olson	Yes
6/93	6306-04	Promotion of U.S.-Russian Joint Ventures in Residential Construction and Building Materials	Butler, Angelici, Belkina	
5/93	6306-04	The Russian Housing Market in Transition	Struyk, Kosareva	
4/93	6306/01	Privatization of Management and Maintenance of Municipally-Owned Housing: Moscow Pilot Program (Description and Documents)	Olson	Yes
3/93	6306-04	Housing Indicators Moscow and the Russian Federation, 1989—1991	Pchelintsev, Belkina, Ronkin, Tcherbakova	
3/93	6306-04	A Structure for Housing Finance in the Russian Federation (Revised and Expanded)	Struyk, Kosareva	Yes
3/93	6306/M	Options for Administering Housing Allowances	Khadduri, Struyk	Yes
3/93	6306-03	Guidelines for Designing Programs for Raising Rents and Implementing Housing Allowances in Russian Republics and Municipalities	Daniell, Puzanov, Struyk	Yes
3/93	6306-03	Housing Privatization in Moscow: Who Privatizes and Why?	Daniell, Puzanov, Struyk	Yes
3/93	6306-04	Dwelling Conditions and the Quality of Maintenance in Moscow's State Rental Sector	Daniell, Puzanov, Struyk	Yes
		Shelter Sector Reform Project Russian		

DATE	PROJ. # / SPONSOR	REPORT TITLE	AUTHOR	RUSSIA N TEXT
HOUSING MARKETS, PROGRAMS AND FINANCE				
2/93	6306-01	Federation/City of Moscow: Principles of Management Training Materials	Olson	Yes
2/93	6306-03	Summary of Laws Relating to Housing and Urban Development in the Russian Federation	Butler	
2/93	6306-03	Housing Reforms in Russia--First Steps and Future Potential	Kosareva	
1/93	6306-01	Housing Finance in Russia: Developments in 1992	Struyk, Kosareva	Yes
1/93	6306-04	A Note on Housing Affordability in Moscow	Puzanov	Only
1/93	6306-03	The Transformation of Russia's Housing Sector: Comparisons with Eastern Europe	Baross, Struyk	Yes
12/92	6306-01	Options for Subsidizing Home Purchase	Daniell	Yes
12/92	6306/M	Administering Housing Allowances in Moscow	Khadduri	Yes
11/92	6306/M	Income Adjustments When Raising Rents in Post-Soviet Economies: Housing Allowances or Wage Increases: Analysis for Moscow	Struyk, Puzanov, Daniell, Kosareva	Yes
11/92	6306/M	The Privatization of Management and Maintenance Demonstration Program (conference presentation)	Olson	Yes
11/92	6306/M	Competition for the Award of Funds for Housing Construction Projects	Khadduri	Yes
11/92	6306/M	Condominium Law	Butler	Yes
10/92	6306/M	Russia IS Moving to the Market	Struyk, Kosareva	
9/92	6306/M	Notes on the Residential Real Estate Market in Russia	Khadduri (assisted by Puzanov)	Yes
7/92	6306/M	Recommended Revisions to the Land and Property Taxes of the Russian Federation	Lowry	Yes
7/92	6127-149A	Implementing Housing Allowances in Russia: Rationalizing the Rental Sector	Struyk, Kosareva, Daniell, Hanson, and Mikelsons	Yes
7/92	6127-149	Municipal Housing Structures in the City of Moscow: Subdistrict and Microdistrict Management	Baar	



DATE	PROJ. # / SPONSOR	REPORT TITLE	AUTHOR	RUSSIAN TEXT
HOUSING MARKETS, PROGRAMS AND FINANCE				
6/92	6127-149	Real Estate Tenure and Taxation in the Russian Federation	Lowry (assisted by Kaganova)	Yes (Five-page summary)
5/92	6306/M	"Housing Policy in Moscow: Where to Go From Here?" (Remarks given to the Government of Moscow, May 19, 1992)	Struyk, Kosareva	Yes
5/92	6127-149	Housing Privatization in the Russian Federation	Kosareva, Struyk	Yes
4/92	6127-146	Housing Management and Maintenance in Moscow	Khadduri	
3/92	6127-131	Housing Reform in the Russian Federation: A Review of Three Cities and Their Transition to a Market Economy	Hanson, Kosareva, Struyk	
2/92	6127-131	Four Papers on the Residential Land Market in St. Petersburg	Kaganova, Berezin, et al.	
1992	6306-09	Housing Indicators for Seven Russian Cities: 1992 (DATA ONLY)	Daniell	
1992	6306/M	Russian Summary of the Housing Allowance Results		Only
1992	6306/M	A Survey of Housing Allowance Programs	Puzanov	Only

DATE	PROJ. # / SPONSOR	REPORT TITLE	AUTHOR	RUSSIAN TEXT
COMMUNAL SERVICES: FINANCE AND REGULATION				
07/98	6611	Long-Term Debt Financing of Capital Investment into Municipal Infrastructure	P.Svistunov	Yes
03/98	6611	Guidelines for Municipal Officials in Setting Water and Heat Tariffs	Cooney M. Antonova D. Schegolev A.	Yes
9/97	6611	Additional sources of financing renovation & development of the housing-communal sector of Russia	Svistunov, P	Only
5/97	6611	Schemes of Long-Term Lending of Projects of	Novikov, A.	Yes



DATE	PROJ. # / SPONSOR	REPORT TITLE	AUTHOR	RUSSIA TEXT
COMMUNAL SERVICES: FINANCE AND REGULATION				
		Housing Communal Infrastructure Development (example of gazification project). Package of Documents		
2/97	6611	Financing Urban Infrastructure in Russia: Guidelines for Multi-Year Municipal Borrowing	Firestine Novikov Dmitrieva Kopeikin Marfisin	
9/96	6611	Financing Urban Infrastructure in Russia: Practical Approaches to Multi-Year Municipal Borrowing	Firestine	Yes
5/96	6611	Feasibility Analysis of Funding of the City Infrastructure Development Through Issuance of Municipal Bonds	Kopeikin	Yes
3/96	6611	Municipal Infrastructure Finance in Russia: Issues and Prospects	Firestine Novikov Dmitrieva Kopeikin	

DATE	PROJ. # / SPONSOR	REPORT TITLE	AUTHOR	RUSSIA TEXT
CREDIT RATING				
04/98	World Bank	Cherepovets City Administration Creditworthiness Estimation	Novikov A. Svistunov P. Eigel F. Moshnyaga O.	Yes
04/98	World Bank	Volkhov City Administration Creditworthiness Estimation	Novikov A. Svistunov P. Eigel F. Moshnyaga O.	Yes
04/98	World Bank	Dzerzhinskiy City Administration Creditworthiness Estimation	Novikov A. Svistunov P. Eigel F. Garadja M. Moshnyaga O.	Yes
04/98	World Bank	Orenburg City Administration Creditworthiness Estimation	Novikov A. Svistunov P. Eigel F. Moshnyaga O.	Yes
9/97	NA	Novgorod Oblast Bond Issue: Credit Rating Report	Novikov A. Eigel F. Svistunov P. Dmitrieva I.	Only

DATE	PROJ. # / SPONSOR	REPORT TITLE	AUTHOR	RUSSIAN TEXT
ECONOMIC DEVELOPMENT				
04/98	NA	Proposal on Economic Development of Pskov	Vetrov G. Pilman I.	Yes

DATE	PROJ. # / SPONSOR	REPORT TITLE	AUTHOR	RUSSIAN TEXT
THE MORTGAGE HANDBOOK SERIES				
7/96	6611-101	Bridge Loans for Home Purchase	Cook	Yes
11/95	06306-09	Lending for Home Improvements	Cook	Yes
8/94	6306-10	Function and Organization of a Legal Department for Mortgage Lending in Russia (Pepper, Hamilton and Scheetz)	Smuckler	Yes
7/94	6306-09	Users Manual for Mortgage Servicing Software	Kopeikin, Strebezh	Only
2/94	6306-05	Program Summary: Housing Finance Servicing Software for Russia	Newman	Yes
1/94	6306-05	Mortgage Loan Underwriting Problems	Rosenberg	Yes
10/93	6306-05	Mortgage Servicing Manual Developed for Russia	Subramanian	Yes
7/93	6306-05-- -- --	Mortgage Pricing in Russia: A Methodological Introduction	Lea, Ravicz	
4/93	6306-05	Residential Mortgage Loan Manual for Russia	Rosenberg	Yes
3/93	6306-03	Product Description for the Deferred Adjustable Instrument for Russia	Ravicz, Struyk	Yes
3/93	6306-03	The Legal Basis for Residential Mortgage Lending in the Russian Federation	Butler	Yes

DATE	PROJ. # / SPONSOR	REPORT TITLE	AUTHOR	RUSSIAN TEXT
PROJECT ADMINISTRATION				
11/97	6306	Housing Sector Reform Project I: Final Report	Struyk	No
8/97	6611	Housing Sector Reform Project: Workplan, October 1997-September 1998	Struyk	No
8/96	6611	Housing Sector Reform Project: Workplan, October 1996-September 1997	Struyk	No
11/95	6611	Russia: Housing Sector Reform Project II - Workplan, October 1995-September 1996	Struyk Telgarsky	No
3/95	6306-08	Housing Sector Reform Project: Russian Federation/ City of Moscow—Workplan, April 1995 — November 1996	Struyk, Telgarsky	No
1/94	6306-03	Shelter Sector Reform Program, Russian Federation/City of Moscow: Workplan April 1994 — March 1995, DRAFT	Struyk, Telgarsky	No
9/93	6306-04	Results for Year One of the Housing Sector Reform Project for Moscow and the Russian Federation	Struyk	No
1/93	6306-01	Shelter Sector Reform Project Russian Federation/City of Moscow: Work Plan Mosbusinessbank, Technical Assistance	Ravicz, Struyk	No
10/92	6306-01	Shelter Sector Assistance Program Workplan for Moscow and the Russian Federation: September 1992 through February 1993	Struyk	No
10/92	6306-03	Revised USAID Technical Assistance Strategy for the City of Moscow in the Shelter Sector	Hanson, Khadduri, Olson, Struyk	No
10/92	6306-01	The Activities Carried Out by the HUD — October 1992		No
5/92	6127-149	USAID Technical Assistance Strategy for the Russian Federation in the Shelter Sector	Hanson, Struyk	No
5/92	6127-149	USAID Technical Assistance Strategy for the City of Moscow in the Shelter Sector	Struyk	No
2/92	6306-03	Shelter Sector Assistance Program Workplan for Moscow and the Russian Federation: March 1993 - March 1994	Struyk	No

DATE	PROJ. # / SPONSOR	REPORT TITLE	AUTHOR	RUSSIAN TEXT
EASTERN EUROPE PAPERS TRANSLATED INTO RUSSIAN				
9/95	6306-02	East European Municipal Credit Seminar: Conference Proceedings and Analysis	Peterson, Pigey	Yes
3/93	6306-02	Housing Privatization: What Should We Advocate Now	Kingsley, Telgarsky	Yes
11/92	6251/0	The Bulgarian Indexed Capped-Credit: A New Mortgage Instrument for Inflationary Economies	Ravicz	Yes
4/92		Progress in Privatization: Transforming Eastern Europe's Social Housing	Kingsley, Struyk	Yes
8/91	6153/0	Alternative Mortgage Instruments in High- Inflation Economies	Telgarsky, Mark	Yes
7/91		The Puzzle of Housing Privatization in Eastern Europe	Struyk, Telgarsky	Yes
5/91	6127-112	Housing Reform in Hungary: Five Concept Papers	Anthology	Yes
1/91	6094/0	Private Management for Eastern Europe's State Rental Housing	Struyk, Mark, Telgarsky	Yes

NOTE: Reports with project nos. 6306/M and 6306/O can be found  
in drawer labeled RUSSIA: STAFF/MISCELLANEOUS

# **USAID SHELTER COOPERATION PROGRAM WITH MOSCOW AND THE RUSSIAN FEDERATION**

## **LIST OF STUDY TOURS AND OTHER SPONSORED TRIPS ABROAD May 30, 1997**

DATES	NAME OF ACTIVITY (ORGANIZER)	ATTENDEES
July, 1992	Study tour to Washington on housing allowances program administration (Urban Institute)	Kriviv A.S., <i>Deputy minister, Gosstroy</i> Saburov E.F., <i>Director, Center for Information Technologies</i> Derendyaev S.B., <i>Chairman, RF Supreme Soviet Housing Committee</i> Kuznetsova L.V., <i>Deputy Chief, Department for Communal services</i> Shamuzafarov A.Sh., <i>Head, Housing Policy Department, Gosstroy</i> Maslov N.V., <i>Deputy Chairman, Municipal Housing Department</i>
Dec.7-14, 1992	Condominiums (Urban Institute)	Filchenko V.P., <i>Deputy Director, Center for Housing Reform</i> <i>Assistance</i> Kuzovchokova Elena A., <i>Chief, Municipal Housing Department</i> Somichev Nikolay I., <i>Chairman, Commission on Municipal Economy, Mossovet</i>
Jan.26-Feb.3 1993	Housing Management Owners Study Tour (Urban Institute)	Povarov Rudolf S., <i>Deputy prefect</i> Klichov Mamed-klich, <i>Chief, Dept. of Communal Services</i> Vakarev Alexander I., <i>Chief, DEZ</i>
Jan. 31- Feb 30, 1993	University of Maryland course on housing in market economies	Ivanov S.V., <i>Chief, Banking Structures Division, Sberbank</i> Samoshchenko V.A., <i>Chief, Social Programs Financing Div., Min. of Ec.</i> Terehina G.V., <i>Deputy Chief, Housing Privatization Div., Mun.H.Dept.</i> Zhagulo T.I., <i>Chief, Forecasting Division, Municipal Housing Dept.</i> Yunina O.N., <i>Senior Researcher, Institute for Legal Research</i>
Feb.25-March 5 1993	Housing finance seminar (University of Utah)	Bukato Viktor I., <i>President, Mosbusinessbank</i> Sokolovskaya Galina A., <i>Director, Center of Mortgage Lending (CML), Mosbusinessbank</i> Kosareva Nadezhda B., <i>Institute for Economic Forecasting</i> Moiseeva Ludmila. F., <i>Chief, Dept. of Credits, Ministry of Finance</i>
March 28 - April 8, 1993	Promotion of Russian-USA joint ventures (Urban Institute)	Basin E.F., <i>Chairman, Gosstroy</i> Krivov A.S., <i>Deputy minister, Gosstroy</i>
March 26- April 6, 1993	Housing sector policy formulation and intergovernmental relations (Urban Institute)	Shamuzafarov A.Sh., <i>Head, Housing Policy Department, Gosstroy</i> Maslov N.V., <i>Deputy Chairman, Municipal Housing Department</i>
April 28 - May-18, 1993	Fels Center, University of Pennsylvania, course on Mortgage Lending	Aristov I.V., <i>Chief, Housing Reform Dept., Gosstroy</i> Blochin Yu., <i>Senior Specialist, Economic Policy Department City of Moscow</i>
May 22 - June 4 1993	Loan Underwriting and Servicing Study Tour (Urban Institute/Abt. Assoc.)	Sokolovskaya Galina A., <i>Director, CML, MBB</i> Klimentiev Oleg, <i>Chief economist, CML</i>

August 16- September 3, 1993	Fels Center, University of Pennsylvania, course on Mortgage Lending	<p>Andrei Lazarevsky Deputy Department Head, Ministry of Finance.  Michail Gavrilin Head, of the Credit Bank, Sberbank of Russia.  Igor Bochkarev Director, Povolzhsky Financial and Building  Company (Samara).  Michail Klimov Head, Moscow's Economics Department  Yevgeny Spirin Chairman, Mossoviet Commission dealing with  housing finance.  Arkady Ivanov President, Joint Stock Mortgage Bank.  Alexander Kurenkov Head, mortgage department, Peresvet Bank  (formerly Expobank).  David Khodzhaev Deputy Head, Department for Housing Policy  Development, Gostroi.  Chekmareva Elena Deputy Chief of Finance, Markets and Institutions  Division, Central Bank of Russia.  Kazakova Elena President, Invesstrakh Branch (Yaroslavl), Director-  Designate of Joint Stock Mortgage Bank  Andrey Chetirkin Executive Director, St.Petersburg Hypotecobank.  Pastukhova Natalia Senior specialist, Lending Department, Sberbank  of Russia  Loktionov Vyacheslav M. Deputy Chief, Investment Programs of  Housing Reform Ministry of Economy  Manuylova Tatyana N. Chief, Dept. for State Debts and State Loans.  Ministry of Finance  Kostyrko Valery V. Deputy Chief, Dept. for Housing and Industrial  Construction Ministry of Finance  Florentieva Maria V. Senior economist, Division of Securities:  Inkombank  Androsova Alexander M. Deputy Chief, Investments Dept., "Menatep".  International Finance Group  Shalyagina Natalia Senior legal adviser, "Mosprivatizatsia"</p>
Oct.30 - Nov.5 1993	Loan Servicing StudyTour (Urban Institute/Abt. Assoc.)	<p>Sokolovskaya Galina A., Director, CML, MBB  Klimentiev Oleg, Chief economist, CML, MBB  Tvorogov Ilya, Economist, CML, MBB  Polyakov Oleg, Chief economist, CML, MBB  Suchkov Andrey, Economist, UI (Moscow)</p>
Dec.2-8 1993	Housing Allowances (QUADEL Corp.)	<p>Puzanov Alexander, Consultant, UI (Moscow)  Goltseva Olga L., Deputy Chief, Department of Construction and  Housing and Communal Economy  Rubtsov Nikolay V., Head, Department of Improving Methods Of  Housing Maintenance and Repair, Committee for  Communal Economy  Bychkovsky Igor, Director, Institute of Communal Economy  Medvedeva Department for Communal services  Romakina Raisa A., Deputy Director, Information-Calculation Center,  Department for Engineering Support</p>
Feb.22- Mar.5, 1994	Pratt Construction Finance Seminar	<p>Krupskaya Inessa A., Head of Division, Mortgage Standard Bank  Khimushin-Kashaev Igor F., Vice-President, Mortgage  Joint-Stock Bank  Orlov Vladimir E., President, Association of Mortgage Banks  Gorbonosova Anna V., Deputy Head, Investments Division, Bank  "Menatep"  Gorelik Ludmila A., Chief Economist, CML, MBB  Braverman Valery A., Head, Division of Long-Term Lending, MBB  Romanov Yuri P., Head, Housing Construction Finance Division,  Ministry of Finance  Klisho Elena D., Chief Economist, Sberbank  Frolov Vitaly A., Deputy Governor, Nizhny Novgorod oblast  Grudin Mikhail Yu., Manager, Creative Association "STEK", Irkutsk</p>
April 27- May 18, 1994	Fels Center Housing Finance Course	<p>Klepikova, Yelena, Urban Institute, Consultant  Kosareva Nadezhda, Urban Institute, Consultant  Suchkov Andrey, Urban Institute, Consultant</p>

July 12-  
20, 1994

Housing Codes  
Study Tour  
(Quadel Corp.)

Tikhomirova Mariya, *Urban Institute, Economics*  
Lesnikov Alexander, *Chief Urban Department, Apparatus of Government RF*  
Lopatkin Nikolay, *First Deputy Chief, Housing and Communal services Department, Gosstroy*  
Strazhnikov Alexander, *Direktor, Moscow Housing Inspection*  
Kondratenko Valeriy, *Chif, Law Department, Moscow Housing Inspection*  
Vankova Marina, *Director, Housing Inspection of Eastern District, Moscow*  
Krasinskay Ludmila, *Director, Housing Inspection of Northern District, Moscow*

July 26-  
August 3,  
1994

Mortgage Law Study  
Tour  
(Urban Inst./Abt)

Zadonskiy Georgiy I., *Deputy of the State Duma of the RF Federal Assembly*  
Martemyanov Valentin S., *Deputy of the State Duma of the RF Federal Assembly*  
Paydiev Leonid Ye., *Head of the Division, Ministry for Economy of the RF*  
Pavlov Pavel N., *Adviser of the State and Legal Department of the RF President*  
Novikov Vladimir I., *Head of the Section in the Department for Ownership and Entrepreneurial Activities of the Government of the RF*  
Boyko Vadim A., *Deputy of the State Duma of the RF Federal Assembly*  
Bulavinov Vadim Ye., *Deputy of the State Duma of the RF Federal Assembly*  
Kiselyov Sergey V., *Head of the Department for Technical Inventory of the RF*  
Lapshina Ludmila V., *Urban Institute,*

September 12-30,  
1994

Housing Construction  
and Building Products  
Training (AED)

Agibalov Nikolay N., *Ltd. Liability Association Company, Ryazan, Chairman*  
Barsch Ludmila A., *Moscow, GIPRO NII, Head of the design N5*  
Belkina Tatyana D., *Urban Institute, Consultant*  
Dragushin Aleksey A., *Moscow, Deputy Director Joint-stock Co. "Champion"*  
Kasheutov Mihail I., *Tver, City Adm., Deputy Head of Adm*  
Novokreschenov Valeriy S., *Nizhnii Novgorod (N.N.), N.N. Oblast Adm., Deputy Chairman, Municipal Housing Department*  
Frolov Sergey Ya., *Novgorod, Joint-stock Co. "Volhov", Chairman of the Board*  
Horushevskiy Gennrih V., *Moscow, Union of Entrepreneurs of the Industrial and Construction Complex of R., Director General*  
Tsarev Vladimir M., *N.N., Co. "Nizhegorodstroii", Vice-President*  
Scherbakov Vladimir A., *Irkutsk, Construction Co. "Vinsent", Dir.*  
Uyzov Alexander I., *Pskov, Public Held Joint-stock Co., "Pskovoblstroii", Director General*

Sept. 30 -  
1994

Training for Trainers  
Course (AED)

Adzhimamudova Nina N., *Moscow, The Municipal Housing Insps. Oct. 14, Training Center, Director*  
Ampilogov Vladimir N., *Ryazan, Mayona, Deputy Mayor*  
Benilova Elena N., *Ivanteevka, Training Center for Housing Reform Problems, First Deputy Head of the Adm.*  
Buzirev Vyacheslav V., *S. Petersburg, Engineering & Economic Academy, Head of the Department*  
Vitenberg Tatiana Z., *Moscow, Municipal Housing Institute, Head of the Dep.*  
Gavrilin Mihail A., *Moscow, Bank Association "Russia", Dir. Loan Dep.*  
Garipova Zaituna L., *Ulyanovsk, Joint Venture "Argo", Chief Expert in Real Estate*  
Getmaniuk Tatiana M., *Moscow, Business Academy, Head of the Dep.*



Oct. 2 - Oct.30,  
1994

Mortgage Banking  
Training Course  
(Abt, UI, Fannie Mae)

Dmitriev Mihail N., Nizhniy Novgorod, Construction Academy,  
Deputy Rector  
Dorofeeva Tatiana M., Habarovsk, Sberbank Academy, Dir.  
Domashenko Mihail V., Irkutsk, Vostochno-Sibirskiy Commercial  
Bank, Dir. Metodology Center  
Kievskiy Vladimir G., Moscow, Bank Association "Russia", Dep.  
Dir. Staff Training Center  
Koplus Sergey A., Moscow, Russian Appraisers Assoc., Vice  
President  
Laschenko Svetlana D., Moscow, Business & Bank College,  
Dep. of Dir.  
Liplavka Valentina A., S. Petersburg, "Leontief Center", Assistant  
Lesova Inna B., S. Petersburg, Intern. Banking Inst.,  
Head of Dep.  
Lykov Alexander A., Obninsk, Municipal Management Inst.,  
Executive Manager  
Orlovskiy Arnold A., Moscow, Ministry of Constr., Dir. Training Cent  
Osipov Valeriy V., Moscow, Municipal Housing Institute, Head of  
the Depart.

Parshenok Viacheslav A., Saratov, Constr. College, Deputy  
Director  
Serdiukov Igor A., Moscow, Union of Russian Cities, Chairman  
of the Dep.  
Strelnicov Vadim I., Moscow, Municipal Housing Inspection,  
Head of the Dep.  
Sokova Elena Ia., Moscow, Municipal Housing Inspection, Dep  
Head  
Suchkova Anna A., Moscow, Institute of Countnes of Asia & Afr.,  
Senior Professor  
Tokarev Boris E., Moscow, Public Property Academy of the  
Joverment the RF, Dep. Dir. of "Investor" Center  
Fedorov Vladimir N., Moscow, Ministry of Constr., Head of Dep  
Filchenko Victor P., Moscow, Center of Assistance for Housing  
Reform, Dep. of General Dir.  
Tsikanov Muhamed M., Nalchic, Ministry of Economy Kabardino  
Balkarii, Minister  
Tsibulnicov Vyacheslav M., Moscow, Comm. Bank "Balchug",  
Head of Dep.  
Tsiganov Konstantin A., Moscow, Association of Students, Vice  
President

Androsov Alexander M., Moscow, Bank "Menatep", Head of Dep.  
Bobylev Valeriy V., Nizhniy Novgorod, Land Bank of Novgorod,  
Senior Expert  
Denga Tatiana N., Moscow, Joint Stock Bank "Kreditprombank",  
Head of Dep.  
Ershova Tatiana A., Moscow, Joint-Stock Bank "Mortgage  
Standartbank", Head of Dep.  
Zhdanov Vladimir I., Samara, MZHK-1, Dir.  
Zalotin Maxsim V., Novosibirsk, Municipal Bank of Novosibirsk,  
Senior Expert  
Ivanov Arkadiy P., Moscow, Joint Stock Mortg. Bank, President  
Kabakov Evgeniy V., Pskov, Bank "Pskovacobank", Dir. of Dep.  
of Investment & Economic Relations  
Klepikova Elena G., Moscow, The Urban Institute, Consultant  
Klimenko Vladimir A., Moscow, Land Bank of N. Novgorod  
Kling Roman A., Novosibirsk, Municipal Bank, Senior Expert  
Kopeikin Alexander B., Moscow, The Urban Institute, Consultant  
Korobeinikov Igor O., N. Novgorod, Head of Securities for Mortg.  
Transactions Dep.  
Savchenko Evgeniy V., Ufa, Joint Stock Bank "KPD", Chairman  
of the Board  
Krohina Natalia V., Moscow, Joint Stock "Logovaz",  
Head of Dep.  
Kurilov Sergey V., Irkutsk, East-Siberian Comm. Bank, Dir.  
Lebedev Vladimir V., Novgorod, "Novobank", Vice-president  
Gynin Valeriy I., Moscow, Assos. of Industrial-Constr. Banks,  
Managing Dir.  
Litvinov Grigoriy F., S.-Petersburg, Mortgage Bank of S.-Peters.,  
Vice-president  
Orlov Vladimir E., Moscow, Assos. of Mortgage Banks,  
President



Pikul'skiy Gennadiy V., Tumen, Commercial Bank "Tumen", Dep. Chairman of the Board  
 Pobyvanets Vladimir A., Moscow, Assos. of Industrial-Constr. Banks, Head of Dep.  
 Rogozhina Natalia N., Moscow, Joint-Stock Mortgage Bank, Senior Expert  
 Lysenko Andrey G., Novgorod, "Novobank", Loan Depart., Expert  
 Shitov Nikolay V., Moscow, Bank "Menatep", Head of Depart.  
 Tseranov Alexander M., N. Novgorod, Municipal Bank "Nizhegorodskiy Credit", Head of Dep.

Sept. 26- Oct. 11  
 1994

**Property Management  
 and Maintenance  
 (Quadel Consulting)**

Bakunina Lubov D., Poliprom, Inc., Property Manager  
 Borisov Alexander M., Nestor Enterprises, Dir.  
 Volkov Gennadiy A., 1st Dep. Head of Adm., Zavolzhskiy Region  
 Dolginov Evgeniy M., Stroidach Kompleks, General Dir.  
 Gavrushina Lyudmila F., Board of Unified Customer, Municip. District of Mitino., Head  
 Gokadze Lyudmila V., Repair- Maintenance Org. #7, Birulyovo East Adm. District  
 Ilyin Vladimir A., 1st Dep. Head of Adm., Proletarskiy Region  
 Ionov Victor N., 1-st Dep. Head of Adm., City of Tver  
 Kozlov Pavel L., Northwest Prefecture, Dep. Prefect  
 Krasikov Mikhail A., Birulyovo East Adm. Distr.  
 Kupriyanova Lubov S., Birulyovo East Adm. Distr.  
 Ostrovskaya Lidiya G., Repair- Maintenance Org. #21, Chief  
 Ovsyanikov Alexander I., Board of Communal Services, Chief  
 Pavlova Raissa, Northern Prefecture, Senior Specialist  
 Pinegina Margarita B., The Urban Ins., Consultant  
 Romanov Mikhail, Deputy Head of Municipal Inspection  
 Savina Tatiana B., Department of Municipal Housing Insp., Chief of Section

Nov 7- Dec. 3,  
 1994

**Property Management and  
 Maintenance  
 (Quadel Consulting)**

Bannikov Ivan N., Moscow, "Santekhnika-komplex", President  
 Bolonin Alexander A., N. Novgorod, Deputy Head of Adm. of the Sormovskiy region  
 Vladko Sergey, Nizhegorodskaya region, Dzerzhinsk, Head of municipal enterprise "Gorzhilupravlenie"  
 Dikin Mikhail V., N. Novgorod, The First Dep. of Head of Adm., Nizhegorodskii region  
 Kolokolnikova Ulyaiy V., Moscow, Depart. of Municipal Housing Inspection, Senior Specialist  
 Kudinov Vladimir N., Moscow, Depart. of Engineering & Communal Services, Head of section  
 Martynova Galina V., N. Novgorod, Department of Housing Construct. Nizhegorodskaya region, Senior Specialist  
 Mints Irina G., Moscow, Institute for Housing Economy, Deputy Dir.  
 Nemov Nicolai S., Moscow, Department of High- Rise Buildings, Dir.  
 Obelchenko Igor O., Moscow, Licensing Center, Dir.  
 Oveshnikov Mikhail M., Moscow, Information Center of Public Policy, Senior Specialist  
 Osipova Ludmila I., Moscow, Department for Housing Economy, Head of section  
 Ostafeyeva Nadezhda A., Ryazan, Department of Municipal Housing Senior Specialist  
 Pavlov Sergei, N. Novgorod, City Admin., Head of Depart.  
 Raybov Ivan., N. Novgorod, The First Dep. Head of Adm. Pnoksii region  
 Samarin Oleg B., Moscow, Prefect of Municipal Distr. "Timiryazevskii"  
 Sidorov Valentin P., Vladimir, Housing Consulting Depart.  
 Timirev Anatolii I., N. Novgorod, Adm. of Nizhegorodskaya region, Head of Depart.  
 Khodzhaev David G., Moscow, Min. of Constr., Head of Depart.  
 Shapiro Marina D., The Urban Inst., Consultant

Nov 7- Dec. 3  
 1994

**Mortgage Bankers  
 (Abt, UI, Fannie Mae)**

Alekseev Dmitrii M., Irkutsk, Joint-Stock Co. Ltd. "Vostsibstroinvest", Technical Dir.  
 Burmistrova-Zueva Irina N., Moscow, Joint-Stock Co. "Logovaz", Deputy Head of section  
 Vishnev Andrey I., Moscow, Commercial Bank, Vice-President  
 Vyazovkin Anatolii A., Ulyanovsk, Joint-Stock Co. "Argo",  
 Zhukov Evgenii L., Yaroslavl, Affiliate of J/S Mortgage Bank, Lawyer-consultant

		<p>Korobeynikova Margarita V., Moscow, J/S Insurance Co., Senior-Expert</p> <p>Lipitcev Vladimir A., S. Petersburg, "Ipotecobank", Head of section</p> <p>Litvinov Mikhail M., Moscow, "Slavyanobank", Vice-President</p> <p>Maifat Arkadii V., Ekaterinburg, Stock Exchange, Lawyer-consultant</p> <p>Miheev Valerii I., Moscow, Commercial Bank "Balchug", Deputy Head of Depart.</p> <p>Motovilov Ivan I., Cherepovets, "Sokolbank", Deputy Chairman of the Board</p> <p>Mustafin Nail V., Kazan, J/S Co. "Sindikal", General Dir.</p> <p>Muhina Valentina I., Voronezh, J/S Municipal Bank, "Petr Pervyi", Deputy Chairman of the Board</p> <p>Ozerov Alexander G., Moscow, Association of Mortgage Banks, Consultant</p> <p>Starostin Valerii M., Cheboksary, J/S Co. "Real Estate", General Dir</p> <p>Tkachenko Andrei Yu., Moscow, Urban Institute, Consultant</p> <p>Tarasova Elena V., Moscow, Privately Owned J/S Co "Krasnye Vorota", Head Legal Depart.</p> <p>Finagin Vladimir V., Barnaul, Commercial Bank "Altaizhinvest", Chairman of the Board</p> <p>Fomicheva Antonina A., Pskov, "Pskovakobank", Head of Depart.</p> <p>Khabibulin Ulfat A., Ufa, J/S Bank "KMD", Economist</p> <p>Chernyak Alexander V., Moscow, Bank "Menatep", Head of Depart</p> <p>Gulenko Viktor F., Pskov, City Admin., Deputy Head</p> <p>Chehov Alexander P., Krasnodar, Kubanskii Mortgage Bank, Gead Legal Depart</p> <p>Shingalova Olga V., N. Novgorod, Commercial Bank "Nizhegorodets", Head of Depart.</p> <p>Khimushin-Kashaev Igor F., Moscow, J/S Mortgage Bank, First Vice-President</p>
Apr. 29 - May 4, 1995	Consultation on Law in Mortgage (UI)	Zadonski Georgi I., State Duma of the Russian Federation
May 8 - 15 1995	Seminar on Fund Raising for Public Policy Research Institutes in Former Soviet Bloc (Hudson Institute)	Kosareva Nadezhda B., Urban Institute
May 20 - 27, 1995	Housing Codes Working Group (Quadel Corp.)	<p>Kondratenko Valeri F., Municipal Housing Inspection of the City of Moscow, lawyer</p> <p>Lopatkin Nikolai T., Moscow, Ministry of Construction of the Russian Federation, Deputy Head of the Communal and Housing Economy Department</p> <p>Osipova Ludmila I., Moscow, Communal Services Department of the City of Moscow, Head of the Building Maintenance Office</p> <p>Salov Gennadi V., the State Housing Inspector of the Republic of Bashkortostan, Russia</p> <p>Sokova Elena Y., Municipal Housing Inspection of the City of Moscow, Deputy Head</p> <p>Strajnikov Alexandr M., Municipal Housing Inspection of the City of Moscow, Head</p> <p>Joukov Nikolai V., Office of the Municipal Economy of the Murmansk oblast, Chief Engineer of the Municipal Services Enterprise</p>
June 7 - 24 1995	Municipal Finance (AED)	<p>Areshenko Vasily P., Novosibirsk, Chief of the Foreign Department of the Siberian branch of the Academy of Sciences</p> <p>Fedorov Igor V., Orenburg, Deputy Head of the Administration</p> <p>Ivanova Olga A., St-Petersburg, Deputy Chief of Social Sphere Financing Department of the Mayor's Committee of Economy and finance</p> <p>Gushtan Valentina I., Ekaterinburg, Vice - Chairman of the Economy Committee of the City Administration</p> <p>Karpov Yuri B., Riazan, Vice-Mayor of the City, the Director of the Department of economy and Finance</p> <p>Klepikova Elena G., Moscow, Housing Finance Consultant of the Urban Institute</p>

Kolesova Liudmila A., Moscow, Chief of Territorial Development  
Coordination Department of the Department of Economical  
Policy and Development of the City of Moscow  
Makarova Olga A., St. Petersburg, Deputy Chief of Complex  
Development of Infrastructure of the City of the Mayor's  
Committee of Economy and Finance  
Mayorov Yuri K., Ekaterinburg, Chief of the City Economy  
Development Department of the Economy Committee of  
the Administration of the City of Ekaterinburg  
Menshikova Tatiana F., Ekaterinburg, Vice-Chairman of the Economy  
Committee of the City Administration  
Peremazov Igor P., Barnaul, Deputy Head of the City  
Administration  
Perevozchikova Nina P., Ekaterinburg, Deputy Chief of the Financial  
and Budget Department of the City Administration  
Petrov Evgeny V., Moscow, Chief of the Social Development  
Department of the Department of Economical policy and  
Development of the City  
Postnov Sergey I., Vladimir, Director of the Prospective  
Development and Foreign Relations Department  
Prokofiev Vladlen Y., Vladimir, Head of Construction Complex  
Coordination Department  
Rutman Mikhail G., Tomsk, Vice-Mayor of the City  
Shamova Valentina G., Ekaterinburg, Vice-Chairman of the Housing  
Communal Economy Committee and KE of the  
Administration of the City  
Strashnov Gennady G., Moscow, Deputy Chief of the Division of the  
Department of Economical Policy and Development of City  
Zhukova Svetlana A., St-Petersburg, Chief Specialist of the  
Department of the Housing-Communal Finance of the  
Mayor's Committee of Economy and Finance

Sept 12-20  
1995

Tenant - Landlord  
Relations  
(Quadel Corp.)

Getman Elena S., lawyer of the Constitutional Court of the Russian  
Federation  
Romanenkov Nikolai S., Deputy Head of the Moscow City Court  
Bolshova Alla K., Head of the Moscow City Arbitrany Court  
Isayeva Marina A., officer from the Economic Office Department for  
Communal Services of Moscow Government  
Novokrestchenov Velery S., Deputy Head of Department for  
Construction and Housing and Housing, Nizhny Novgorod  
Oblast Administration  
Dyachkova Yelena G., chief specialist, Nizhni Novgorod Oblast  
Administration Legal Department  
Matiushenko Anatoly I., Deputy Head of Krasnoyarsk City  
Administration  
Souraeu Andrey N., Deputy Head of Legal Department of  
Krasnoyarsk City Administration  
Osikin Maxim Y., lawyer from the Department for Housing  
Maintenance Saint-Peterburg Administration  
Dmitrieva Ilona N., consultant of the Urban Institute/ Moscow

Dec 6-9  
1995

Observational tour  
on dual rate mortgage  
(GTP Bank)

Porjenko Valentin - Expert of Consumer loans department of  
"Stolichny" bank, Moscow  
Kochine Pavel - The Head of general Public lending department of  
"Neftyanoi" bank, Moscow  
Kourilov Serguei - Director of the mortgage branch of  
"VostSibkombank", Irkutsk  
Debolskaia Elena - The Head of Mortgage loan group of  
"Sokolbank", Tcherpovets  
Tchourakovski Vladimir - Expert-economist of the loan department of  
"Tveruniversalbank"  
Mamiev Vladimir - The loan officer "Inkombank", Moscow  
Mikheev Valeri - The Deputy Head of the Mortgage loan department  
of "Ballchug" bank, Moscow  
Lebedev Vladimir - Vice-President of "Novobank", Novgorod  
Choucharine Andrei - The Head of Department of "Peter I" bank,  
Voronezh  
Khototchkine Serguei - Municipal bank of Ryazan  
Starostine Valeri - President of the First Credit Union, Cheboksari  
Klepikova Elena - The Urban Institute  
Kosareva Nadejda - The Urban Institute  
Soutchkov Andrei - The Urban Institute

Jan.4-11,  
1996

Moscow City Housing  
Court Tour  
(Quadel Corp.)

Strazhnikov Alexander - *Head of the Moscow State Housing  
Inspection*

Bolshova Alla - *Head of the Moscow Arbitrage Court*  
Romanenkov Nikolai - *Deputy Head of the Moscow City Court*  
Sharandin Yuri - *Head of the law Department of Moscow City Duma*  
Isayeva Marina - *Deputy Head of Economic Division, Engineering  
Services Department, Government of Moscow*  
Antoshin Anatoli - *Deputy Head of the State Procuracy (Attorney  
General) of Moscow*

Jan.30-Feb.7  
1996

RF Housing Inspection  
Agencies Study Tour  
(Quadel Corp.)

Avdeev Valery - *Head of Municipal and Housing Economy  
Department, Ministry of Construction of RF*  
Roschupkin Eduard - *General Housing Inspector of RF*  
Chetvergov Anatoly - *Head of the Housing Inspection of the Belgorod  
Oblast*  
Lobachev Michael - *Head of the State Housing Inspection of the  
Orenburg Oblast*  
Momotov Vladimir - *Head of the State Housing Inspection of the  
Krasnoyarski Krai*  
Efremov Valeri - *Head of the State Housing Inspection of the  
Republic of Mordovia*  
Raimov Nadir - *Head of the State Housing Inspection of the Republic  
of Tatarstan*  
Ustyushin Nikolai - *Head of the State Housing Inspection of the  
Vladimir Oblast*  
Finiguenov Guennadi - *Head of the State Housing Inspection of the  
Penza Oblast*  
Vovulo Nina - *Head of the Division of Housing Economy of the  
Municipal Economy Academy K.D.Pamfilov*  
Ovsyannikov Alexei - *Urban Institute Consultant*

Apr 2 - 14  
1996

Construction Period Finance  
(UI, Mendez England)

Chernyak Alexander - *Head of the Department of the expertise of  
constructing projects of Bank "Menatep", Moscow*  
Beznedelni Vladimir - *Head of the Project financing Department, Bank  
"Sankt-Peterburg", S - Peterburg*  
Kurilov Sergei - *Director of the mortgage branch of "Vostochno-  
Sibirski Bank", Irkutsk*  
Golovkina Galina - *"Sokolbank", Cherepovets*  
Poltavtsev Alexander - *"Priovneshtorgbank", economist, Ryazan*  
Gribov Valeri - *"Nizhegorodski Bankirski Dom", economist,  
N.Novgorod*  
Suchkov Andrei - *The Urban Institute, consultant*  
Podkolzin Andrei - *The head of the Mortgage Department, Bank  
"Stolichni", Moscow*  
Tkachenko Andrei - *The Urban Institute, consultant*  
Sorgina Inna - *The Head of the department of bank expertise and  
investments, "Uralpromstroibank", Yekaterinburg*  
Khotochkin Sergei - *Moscow finance-construction company*  
Osintsev Alexei - *The Head of the financing department, Uralski  
Industrialni bank*  
Lebedev Vladimir - *Vice-President, Novobank, Novgorod*  
Stashenkova Natalya - *Economist, Mosbusinessbank*

April 27- May 18  
1996

Advanced Mortgage Finance  
(UI, Abt, Fannie Mae)

Allenova Irina - *specialist on the financing and securities Minfin, Moscow*  
Balandin Boris - *Head of the assets management  
Department of Uralpromstroibank, Yekaterinburg*  
Churakovskiy Vladimir - *Chief Credit department economist,  
Tver universal bank, Moscow*  
Fomin Victor - *Chief of the Board, United Industrial bank*  
Debolskaya Yelena - *Head of the Mortgage Center of Sokolbank,  
Moscow*  
Ganzuk Sergei - *Manager of the Mortgage and Real Estate  
Department, Stolichni Bank, Moscow*  
Kalinkin Vladimir - *Novobank*  
Koshin Pavel - *Chief of the Credit Department, "Diamant" bank*  
Levanov Alexei - *Chuvashski Narodni bank, Cheboksari*  
Loktionov Vyacheslav  
Merkushina Tamara - *Deputy Chief of the Board, Municipal Bank  
S.Zhivago, Ryazan*  
Moiseeva Lyudmila - *Head of the Credit and Money circulation  
Department, Minfin, Moscow*

DATE	PROJECT / SPONSOR	REPORT TITLE	AUTHOR	RUSSIA N TEXT
HOUSING MARKETS, PROGRAMS AND FINANCE				
07/98	6612-1	Principles of Land Review and Appraisal for Lending Purposes	Voronkin	Only
07/98	6612-1	Loan Documents. Collected Model Documents for Commercial Real Estate Lending by Banks	Burler	Only
07/98	6612-1	Commercial Real Estate Lending: Policy and Procedures Guide	O'Brian Butler Kaganova Klepikova Konayev Luts McCarthy Makovsky Mayini Spensor Tkachenko	Only
07/98	6612-3	Guidelines for Keeping the Unified State Register of Real Estate Rights and Transactions	Roumyantsev Zadonsky	Yes
07/98	6611	Targeted Social Support to Citizens: Local Self-Government Level	Liborakina Puzanov	Only
07/98	6611	Rent Arrears Issue	Kolesnikov Puzanov Sivaev	Yes
06/98	6611	Payment for Housing and Utilities in Municipalities in the RF in September 1997-March 1998		Yes
06/98	6611	Agency for Mortgage Lending: Mortgage Selling and Servicing Guide	Agency, FNMA, UI+IUE staff	Yes
06/98	6611	Agency for Mortgage Lending: Business Plan	Agency, FNMA, UI+IUE staff	Yes
04/98	6611	Housing Finance from Scratch: The Case of Russia	R.Struyk N.Kosareva	No
04/98	6611	Housing Communal Reform in Russia (Section for the Annual Report of Bureau for Economic Analysis)	Puzanov A.	Only
04/98	6611	Comments on Federal Law «On Homeowners' Associations»	Molchanov A. Gorodov O.	Only
02/98	6611	Contractual Relations of Homeowners Associations	Sivaev S. Gentcler I.	Only

' project numbers are for the USAID-financed Housing Sector Reform Program. 6306 is for HSRP I and 6611 is for HSRP II. Excluded from this list are legal documents prepared and nearly all papers prepared under Commercial Real Estate Lending and Zoning projects, the Task Order on "Deepening Real Estate Reform", and the Regional Investment Initiative in Novgorod Velikii.

DATE	PROJ. # / SPONSOR	REPORT TITLE	AUTHOR	RUSSIA N TEXT
HOUSING MARKETS, PROGRAMS AND FINANCE				
02/98	6611	Restructuring Russia's Housing Sector: 1991-1997	R.Struyk (ed.)	No
01/98	6611	Agreement on Technical Maintenance, Sanitary Upkeep and Current Repairs of Housing Stock and Adjacent Territories with comments	Gentcler I. Kolesnikov I. Sivaev S.	Only
10/97	6611	Payment for Housing and Utilities in the RF in March - September 1997	Puzanov A. Elagina E.	Only
10/97	6611	Proxy Means Test for Russia	Struyk R. Kolodeznikova A.	Yes
7/97	6611	Statistical Profile of Novgorod Velikii	Bobyry S.	Yes
6/97	6612-1	Mortgage Loans for Undeveloped Land in Russia: Notes for Practicing Lawyer	Butler S.	Yes
6/97	6611	Transfer to the new System of Housing Payments and Introduction of Housing Allowances in the Russian Federation: 1994-1996	Puzanov A.	Only
5/97	6611	Pilot Program on Competitive Housing Maintenance in Ryazan: Maintenance Quality Survey	Bobyry, S.	Yes
5/97	6611	Housing Reform in Nizhegorodskaya Oblast. Set of Normative and Methodological Materials. Issue #2		Only
5/97 (rev.)	6306-09	Housing Maintenance and Management in Russia During the Reforms	Lee, L. Petrova, E. Shapiro, M. Struyk, R.	
4/97	6306-09	Payment for Housing and Utilities in RF in October 1996 - March 1997	Grishanov, V. Puzanov, A.	Yes
4/97	6306-09	Selected Data on the Housing Communal Reform in Regions of Russia		Yes
4/97	6306-09	Condominium Renovation Lending Program, Issue 4 «Housing Finance in Russia»		Yes
3/97	6611	Competitive Housing Maintenance: Questions	Shapiro	Only



May 8-22  
1996

City Planning for Federal  
and Local Level Officials  
(AED)

Akilbayev Dmitri - *Kredit inspector, Inkombank, Moscow*  
Niradze Antony - *The Urban Institute, consultant*  
Novikov Vladimir - *Inkombank, Nizhegorodski Regional Center, Nizhni Novgorod*  
Olinova Inessa - *Director of the Agreement Center, Russian Association of the Industrial-Constructing Banks, Moscow*  
Porzhenko Valentin - *The Urban Institute, consultant*  
Rachkova Tatyana - *Director on the work with population, Bank Sankt-Peterburg*  
Rymsho Ivan - *The Urban Institute, consultant*  
Savin Vadim - *Head of the Credit Department, SKB Bank, Yekaterinburg*  
Shushann Andrei - *Head of the Real Estate Department, Petr I Bank, Voronezh*  
Pechatnikov Anatoli - *Director of "Inter-Real"*  
Redko Antonina - *Menatep bank*  
Tsvetkov Alexei - *Neftianoi Bank, Moscow*  
Fedyunin Dmitri - *Chief of the Credit Risk Department, Nizhni Novgorod banker's House*  
Zaharova Lyubov - *Nizhni Novgorod Administration*  
Zuev Nikolai - *Sverdlovsksochbank, Yekaterinburg*

Gorokhova Marina - *Deputy Head of Legal Department Ministry of Architecture and Construction of the Russian Federation, Moscow*  
Khakhalin Andrei - *Land Use Specialist, The Urban Institute*  
Lazarevski Andrei - *Advisor to the Chairman of the State Property Management Committee of the Russian Federation*  
Levandnaya Natalya - *Head of the Department of Legal Support, State Property Management Committee of the RF*  
Matyuhin Oleg - *Deputy Director of AUREC Private Consulting Agency St-Petersburg*  
Timonov Victor - *Chairman of City Land Committee, Novosibirsk*  
Zholtikova Galina - *Chairperson of the Oblast State Property Committee, Vice-Governor of the Oblast, Chelyabinsk*  
Yegorova Lyudmila - *Deputy Head of the Novgorod City Tax Inspection*

May 17 - June 7  
1996

Real Estate and Land  
Use Planning for  
City Officials  
(AED)

Arzamastsev Boris - *Deputy Head of City Administration, Pskov*  
Voronin Leonid - *Chief Architect, Director of the Department of Architecture and Construction, Ryazan*  
Grebenschikov - *Director of Municipal Enterprise of Housing Economy and Utilities, Omsk*  
Gromov Gennady - *Deputy Head of Committee on Land Resources and Land Use Development, Barnaul*  
Kedyaev Yury - *Deputy Chief of Urban Planning and Architecture Board, Moscow*  
Korzhev Mikhail - *Chief Architect, Novgorod*  
Kuzakov Nikolai - *Chief Director of "Irkutskgrazhdanproject" joint-stock company, Irkutsk*  
Kulikov Boris - *Chief of the Board of Architecture and Urban Planning, Irkutsk*  
Lepeshkin Nikolai - *Chairman of Committee of Land Resources and Land Use Development, Novgorod*  
Moshkov Leonid - *Chairman of Committee of Architecture and Urban Planning, Chief Architect, Bor of Nizhny Novgorod obl.*  
Oscherin Leonid - *Deputy Mayor, Chairman of Committee of Urban Construction, Irkutsk*  
Pakhomov Gennady - *Chairman of Committee on Land Resources and Urban Planning, Tver*  
Pilyugin Yury - *Deputy Head of Administration, Orenburg*  
Revin Vitaly - *Chairman of Committee on Land Resources and Urban Planning, town of Bor, Nizhny Novgorod oblast*  
Sobolev Alexander - *Chairman of City Registration, Pskov*  
Surnakin Pavel - *Chairman of Committee on Land Resources and Urban Planning, Chelyabinsk*  
Suchkov Alexei - *Chairman of Committee on Land Resources and Urban Planning, Vladimir*

May 28- June 5  
1996

Managment Information  
Systems for Housing Codes  
(Quadel)

Grunicheva Nina - *Chief of the Subdepartment of methodology, State Municipal Inspection, Moscow*  
Novoselov Vladimir - *Chief of the Subdepartment of avtomatization, State Municipal Inspection, Moscow*

July 8 - 26 1996	Financing of Urban Infrastructure and Services (RTI)	Bulavin Anatoli - <i>Chief of the Housing Inspection of South-West Administrative District, Moscow</i>  Dmitrieva Ilona - <i>Infrastructure Finance Consultant, the Urban Institute</i> Novikov Alexei - <i>Infrastructure Finance Consultant, the Urban Institute</i>
Jan 23 - 31 1997	Tenants' Responsibility for Violation of Housing Standards (Quadel Cons.)	Strazhnikov Alexander - <i>The Head of State Housing Inspection, Moscow</i> Osipova, Ludmila - <i>First Deputy Head of Housing Economy Board, Moscow</i> Skvortsov Mikhail - <i>Deputy Chairman of Municipal Housing Committee, Moscow</i> Volkova, Olga - <i>Chief Accountant and Economist of State Housing Inspection, Moscow</i> Lebedev, Dmitrii - <i>Deputy Head of Mayorate's Legal Department, Moscow</i> Litovkin, Valerii - <i>Head of Civil Legislation Department, Institute of Legislation and Comparative Legal Analysis</i> Petrova, Ekaterina - <i>Consultant, UI</i>
March 10-14 1997	Technical Assistance to Agency for Housing Mortgage Lending (AHML)	Shamuzafarov, Anvar Shamujaedovich - <i>Deputy Minister of Construction of Russia, General Director of AHML</i> Litvinov, Grigory Vladimirovich - <i>Member of Management Board of AHML</i> Utevsky, Alexander Semyonovich - <i>AHML</i> Kosareva, Nadezhda Bonsova - <i>President of IUE, Secretary of the Supervisory Board of AHML</i> Kopeikin, Alexander Borisovich - <i>AHML, consultant of UI Moscow office</i> Suchkov, Andrei Yurievich - <i>Executive Director, the IUE</i> Pavlov, Alexander Vladimirovich - <i>Director of the Department of International Banks, Ministry of Finance of Russia</i>
March 22-27 1997	Introduction to Commercial Real Estate Finance (MBA)*	Klepikova, Yelena - <i>Project Manager, the IUE</i> Tkachenko, Andrei - <i>Housing Finance Advisor, the IUE</i>
April 5-13 1997	Meetings Management (ASAE/MBA)*	Yelagina, Yelena - <i>External Relations Officer, the IUE</i>
August 2-16 1997	Commercial Real Estate Lending	Khoroshenkov, Maxim - <i>Consultant, the IUE</i> Romanov, Mikhail - <i>Consultant, the IUE</i> Afanasjeva, Larissa - <i>Consultant, the IUE</i>
November 16-23 1997	Housing Management Quadel Consultants	Zotov, Vladimir - <i>Prefect of South-East Administrative District (AD)</i> Birjukov, Petr - <i>First Deputy Chief of the Central AD</i> Chvilev, Dmitry - <i>Subprefect of Municipal District "Vikhino-Zhulebino"</i> Medvedeva, Elena - <i>First Deputy Chief of the Department of City Order</i> Mayorova Irina - <i>Chief of the sector of the Department of City Order</i> Merkulov Anatoli - <i>Chief of Municipal Entity on Housing Cooperatives</i> Trushevskaya Elena - <i>General director of "Fregat-1" private firm</i> Anoufiev Vladimir - <i>Deputy Head of State Housing Inspection of the City of Moscow</i> Alexeev Anatoli - <i>Head of South-East Administrative District Housing Inspection</i> Ladygina Irina - <i>Head of Financial-Economic Policy Board of Nizhny Novgorod Department for Economic Forecast</i> Zolotnitskaya Vera - <i>Head of DEZ, Deputy of Nizhny Novgorod City Duma, Chairman of the Duma Committee on City Economy and Property</i> Shapiro Marina - <i>Project Manager, the IUE</i>



May 8-22  
1996

City Planning for Federal  
and Local Level Officials  
(AED)

Akilbayev Dmitri - *Credit inspector, Inkombank, Moscow*  
Nioradze Antony - *The Urban Institute, consultant*  
Novikov Vladimir - *Inkombank, Nizhgorodski Regional Center,  
Nizhni Novgorod*  
Olinova Inessa - *Director of the Agreement Center, Russian  
Association of the Industrial-Constructing Banks, Moscow*  
Porzhenko Valentin - *The Urban Institute, consultant*  
Rachkova Tatyana - *Director on the work with population, Bank  
Sankt-Peterburg*  
Rymsho Ivan - *The Urban Institute, consultant*  
Savin Vadim - *Head of the Credit Department, SKB Bank,  
Yekaterinburg*  
Shusharin Andrei - *Head of the Real Estate Department, Petr I Bank,  
Voronezh*  
Pechatnikov Anatoli - *Director of "Inter-Real"*  
Redko Antonina - *Menatep bank*  
Tsvetkov Alexei - *Neftianoi Bank, Moscow*  
Fedyunin Dmitri - *Chief of the Credit Risk Department, Nizhni  
Novgorod banker's House*  
Zaharova Lyubov - *Nizhni Novgorod Administration*  
Zuev Nikolai - *Sverdlovsksochbank, Yekaterinburg*

May 17 - June 7  
1996

Real Estate and Land  
Use Planning for  
City Officials  
(AED)

Gorokhova Marina - *Deputy Head of Legal Department  
Ministry of Architecture and Construction of the Russian  
Federation, Moscow*  
Khakhalin Andrei - *Land Use Specialist, The Urban Institute*  
Lazarevski Andrei - *Advisor to the Chairman of the State Property  
Management Committee of the Russian Federation*  
Levandnaya Natalya - *Head of the Department of Legal Support,  
State Property Management Committee of the RF*  
Matyuhin Oleg - *Deputy Director of AUREC Private Consulting Agency  
St-Petersburg*  
Timonov Victor - *Chairman of City Land Committee, Novosibirsk*  
Zholtikova Galina - *Chairperson of the Oblast State Property  
Committee, Vice-Governor of the Oblast, Chelyabinsk*  
Yegorova Lyudmila - *Deputy Head of the Novgorod City Tax  
Inspection*  
  
Arzamastsev Boris - *Deputy Head of City Administration, Pskov*  
Voronin Leonid - *Chief Architect, Director of the Department of  
Architecture and Construction, Ryazan*  
Grebenschikov - *Director of Municipal Enterprise of Housing Economy  
and Utilities, Omsk*  
Gromov Gennady - *Deputy Head of Committee on Land Resources and  
Land Use Development, Barnaul*  
Kedyaev Yuri - *Deputy Chief of Urban Planning and  
Architecture Board, Moscow*  
Korzhev Mikhail - *Chief Architect, Novgorod*  
Kuzakov Nikolai - *Chief Director of "Irkutskgrazhdanproject"  
joint-stock company, Irkutsk*  
Kulikov Boris - *Chief of the Board of Architecture and Urban  
Planning, Irkutsk*  
Lepeshkin Nikolai - *Chairman of Committee of Land Resources and  
Land Use Development, Novgorod*  
Moshkov Leonid - *Chairman of Committee of Architecture and  
Urban Planning, Chief Architect, Bor of Nizhny Novgorod obl.*  
Oscherin Leonid - *Deputy Mayor, Chairman of Committee of  
Urban Construction, Irkutsk*  
Pakhomov Gennady - *Chairman of Committee on Land Resources  
and Urban Planning, Tver*  
Pilyugin Yuri - *Deputy Head of Administration, Orenburg*  
Revin Vitaly - *Chairman of Committee on Land Resources  
and Urban Planning, town of Bor, Nizhny Novgorod oblast*  
Sobolev Alexander - *Chairman of City Registration, Pskov*  
Surnakin Pavel - *Chairman of Committee on Land Resources and  
Urban Planning, Chelyabinsk*  
Suchkov Alexei - *Chairman of Committee on Land Resources and  
Urban Planning, Vladimir*

May 28- June 5  
1996

Managment Information  
Systems for Housing Codes  
(Quadel)

Grunicheva Nina - *Chief of the Subdepartment of methodology,  
State Municipal Inspection, Moscow*  
Novoselov Vladimir - *Chief of the Subdepartment of avtomatization,  
State Municipal Inspection, Moscow*

		Bulavin Anatoli - <i>Chief of the Housing Inspection of South-West Administrative District, Moscow</i>
July 8 - 26 1996	Financing of Urban Infrastructure and Services (RTI)	Dmitneva Ilona - <i>Infrastructure Finance Consultant, the Urban Institute</i> Novikov Alexei - <i>Infrastructure Finance Consultant, the Urban Institute</i>
Jan 23 - 31 1997	Tenants' Responsibility for Violation of Housing Standards (Quadel Cons.)	Strazhnikov Alexander - <i>The Head of State Housing Inspection, Moscow</i> Osipova, Ludmila - <i>First Deputy Head of Housing Economy Board, Moscow</i> Skvortsov Mikhail - <i>Deputy Chairman of Municipal Housing Committee, Moscow</i> Volkova, Olga - <i>Chief Accountant and Economist of State Housing Inspection, Moscow</i> Lebedev, Dmitrii - <i>Deputy Head of Mayorate's Legal Department, Moscow</i> Litovkin, Valerii - <i>Head of Civil Legislation Department, Institute of Legislation and Comparative Legal Analysis</i> Petrova, Ekaterina - <i>Consultant, UI</i>
March 10-14 1997	Technical Assistance to Agency for Housing Mortgage Lending (AHML)	Shamuzafarov, Anvar Shamujamedovich - <i>Deputy Minister of Construction of Russia, General Director of AHML</i> Litvinov, Grigory Vladimirovich - <i>Member of Management Board of AHML</i> Utevsky, Alexander Semyonovich - <i>AHML</i> Kosareva, Nadezhda Bonsova - <i>President of IUE, Secretary of the Supervisory Board of AHML</i> Kopeikin, Alexander Borisovich - <i>AHML, consultant of UI Moscow office</i> Suchkov, Andrei Yunevich - <i>Executive Director, the IUE</i> Pavlov, Alexander Vladimirovich - <i>Director of the Department of International Banks, Ministry of Finance of Russia</i>
March 22-27 1997	Introduction to Commercial Real Estate Finance (MBA)*	Klepikova, Yelena - <i>Project Manager, the IUE</i> Tkachenko, Andrei - <i>Housing Finance Advisor, the IUE</i>
April 5-13 1997	Meetings Management (ASAE/MBA)*	Yelagina, Yelena - <i>External Relations Officer, the IUE</i>
August 2-16 1997	Commercial Real Estate Lending	Khoroshenkov, Maxim - <i>Consultant, the IUE</i> Romanov, Mikhail - <i>Consultant, the IUE</i> Afanasjeva, Larissa - <i>Consultant, the IUE</i>
November 16-23 1997	Housing Management Quadel Consultants	Zotov, Vladimir - <i>Prefect of South-East Administrative District (AD)</i> Birjukov, Petr - <i>First Deputy Chief of the Central AD</i> Chvilev, Dmitry - <i>Subprefect of Municipal District "Vikhino-Zhulebino"</i> Medvedeva Elena - <i>First Deputy Chief of the Department of City Order</i> Mayorova Irina - <i>Chief of the sector of the Department of City Order</i> Merkulov Anatoli - <i>Chief of Municipal Entity on Housing Cooperatives</i> Trushevskaya Elena - <i>General director of "Fregat-1" private firm</i> Anoufrieve Vladimir - <i>Deputy Head of State Housing Inspection of the City of Moscow</i> Alexeev Anatoli - <i>Head of South-East Administrative District Housing Inspection</i> Ladygina Irina - <i>Head of Financial-Economic Policy Board of Nizhny Novgorod Department for Economic Forecast</i> Zolotnitskaya Vera - <i>Head of DEZ, Deputy of Nizhny Novgorod City Duma, Chairman of the Duma Committee on City Economy and Property</i> Shapiro Marina - <i>Project Manager, the IUE</i>

\* Financed by the Institute for Urban Economics

Nov. 18-Dec. 3  
1997

Introducing and Adjusting  
Tariffs (AED/Institute  
for Private Public  
Partnership)

Prokofyev Vladilen - *Expert, the IUE*  
Goltseva Olga - *Expert, the IUE*  
Antonova Darya - *Expert, the IUE*  
Schegolev Andrei - *Expert, the IUE*  
Averchenko Vladimir - *First Deputy Head of Novocherkassk City Administration*  
Valjakka Boris - *Deputy Head Housing Committee of the City of Petrozavodsk*  
Gorlova Vera - *Head of Economics Planning Department of Novgorod Vodokanal*  
Gudakova Zhanna - *Head of City Economy Finance Board, Finance Department of Novocherkassk City Administration*  
Kruglik Sergei - *Head of Housing Management Department of Novgorod City Administration, Deputy Head of Novgorod Administration*  
Zhukov Nikolai - *Deputy Head of City Economy Board of Gosstro*  
Likhachev Andrei - *Head of Petrodvorets District Administration, St. Petersburg*  
Momotov Valeri - *Director of Petrozavodsk Vodokanal*  
Sereda Valentina - *Head of Economy and Finance Department of Novocherkassk Vodokanal*  
Sidelnikova Yekaterina - *Head of Economy and Finance Department of Housing Economy Management Committee of Novgorod City*  
Skiyarsky Avram - *Deputy Head of Local Self-Government of Petrozavodsk*  
Svyatokha Alina - *Head of Pricing and Price Policy Committee of Nizhny Novgorod Administration*  
Chernyshov Leonid - *Head of Housing- Communal Sector Reform Department of Gosstro*  
Redyanova Natalia - *Gosstro*

Nov 27-30

The Fifth Regional  
Central and Eastern  
European Fundraising  
Training Conference  
Union of Bulgarian Foundations  
& Associations/ The International  
Fundraising Group- UK

Yelagina Yelena - *External Relations Officer, the IUE*

Dec 1-21

International Housing Program  
The University of Pennsylvania

Gofman, Dmitry - *Expert, the IUE*

Dec 2- 9

International Public Finance  
Conference / The Center on  
Budget and Policy Priorities

Eigel Felix - *Expert, the IUE*

## 1998

July 6-10

Information Technologies  
Fannie Mae

Pastukhova, Natasha - *Project Manager, the IUE*  
Glinka, Igor - *Department Manager, the Agency for Housing Mortgage Lending*  
Yagolnik, Lansa - *Manager, the Agency for Housing Mortgage Lending*

		Bulavin Anatoli - <i>Chief of the Housing Inspection of South-West Administrative District, Moscow</i>
July 8 - 26 1996	Financing of Urban Infrastructure and Services (RTI)	Dmitneva Ilona - <i>Infrastructure Finance Consultant, the Urban Institute</i> Novikov Alexei - <i>Infrastructure Finance Consultant, the Urban Institute</i>
Jan 23 - 31 1997	Tenants' Responsibility for Violation of Housing Standards (Quadel Cons.)	Strazhnikov Alexander - <i>The Head of State Housing Inspection, Moscow</i> Osipova, Ludmila - <i>First Deputy Head of Housing Economy Board, Moscow</i> Skvortsov Mikhail - <i>Deputy Chairman of Municipal Housing Committee, Moscow</i> Volkova, Olga - <i>Chief Accountant and Economist of State Housing Inspection, Moscow</i> Lebedev, Dmitrii - <i>Deputy Head of Mayorate's Legal Department, Moscow</i> Litovkin, Valerii - <i>Head of Civil Legislation Department, Institute of Legislation and Comparative Legal Analysis</i> Petrova, Ekaterina - <i>Consultant, UI</i>
March 10-14 1997	Technical Assistance to Agency for Housing Mortgage Lending (AHML)	Shamuzafarov, Anvar Shamujamedovich - <i>Deputy Minister of Construction of Russia, General Director of AHML</i> Litvinov, Grigory Vladimirovich - <i>Member of Management Board of AHML</i> Utevsky, Alexander Semyonovich - <i>AHML</i> Kosareva, Nadezhda Borisovna - <i>President of IUE, Secretary of the Supervisory Board of AHML</i> Kopeikin, Alexander Borisovich - <i>AHML, consultant of UI Moscow office</i> Suchkov, Andrei Yurievich - <i>Executive Director, the IUE</i> Pavlov, Alexander Vladimirovich - <i>Director of the Department of International Banks, Ministry of Finance of Russia</i>
March 22-27 1997	Introduction to Commercial Real Estate Finance (MBA)*	Klepikova, Yelena - <i>Project Manager, the IUE</i> Tkachenko, Andrei - <i>Housing Finance Advisor, the IUE</i>
April 5-13 1997	Meetings Management (ASAE/MBA)*	Yelagina, Yelena - <i>External Relations Officer, the IUE</i>
August 2-16 1997	Commercial Real Estate Lending	Khoroshenkov, Maxim - <i>Consultant, the IUE</i> Romanov, Mikhail - <i>Consultant, the IUE</i> Afanasjeva, Larissa - <i>Consultant, the IUE</i>
November 16-23 1997	Housing Management Quadel Consultants	Zotov, Vladimir - <i>Prefect of South-East Administrative District (AD)</i> Birjukov, Petr - <i>First Deputy Chief of the Central AD</i> Chvilev, Dmitry - <i>Subprefect of Municipal District "Vikhino-Zhulebino"</i> Medvedeva Elena - <i>First Deputy Chief of the Department of City Order</i> Mayorova Irina - <i>Chief of the sector of the Department of City Order</i> Merkulov Anatoli - <i>Chief of Municipal Entity on Housing Cooperatives</i> Trushevskaya Elena - <i>General director of "Fregat-1" private firm</i> Anoufrieu Vladimir - <i>Deputy Head of State Housing Inspection of the City of Moscow</i> Alexeev Anatoli - <i>Head of South-East Administrative District Housing Inspection</i> Ladygina Irina - <i>Head of Financial-Economic Policy Board of Nizhny Novgorod Department for Economic Forecast</i> Zolotnitskaya Vera - <i>Head of DEZ, Deputy of Nizhny Novgorod City Duma, Chairman of the Duma Committee on City Economy and Property</i> Shapiro Marina - <i>Project Manager, the IUE</i>

\* Financed by the Institute for Urban Economics

Nov. 18-Dec. 3  
1997

Introducing and Adjusting  
Tariffs (AED/Institute  
for Private Public  
Partnership)

Prokofyev Vladilen - *Expert, the IUE*  
Goltseva Olga - *Expert, the IUE*  
Antonova Darya - *Expert, the IUE*  
Schegolev Andrei - *Expert, the IUE*  
Averchenko Vladimir - *First Deputy Head of Novocherkassk City Administration*  
Valjakka Boris - *Deputy Head Housing Committee of the City of Petrozavodsk*  
Gorlova Vera - *Head of Economics Planning Department of Novgorod Vodokanal*  
Gudakova Zhanna - *Head of City Economy Finance Board, Finance Department of Novocherkassk City Administration*  
Kruglik Sergei - *Head of Housing Management Department of Novgorod City Administration, Deputy Head of Novgorod Administration*  
Zhukov Nikolai - *Deputy Head of City Economy Board of Gosstro*  
Likhachev Andrei - *Head of Petrodvorets District Administration, St. Petersburg*  
Momotov Valeri - *Director of Petrozavodsk Vodokanal*  
Sereda Valentina - *Head of Economy and Finance Department of Novocherkassk Vodokanal*  
Sidelnikova Yekaterina - *Head of Economy and Finance Department of Housing Economy Management Committee of Novgorod City*  
Sklyarsky Avram - *Deputy Head of Local Self-Government of Petrozavodsk*  
Svyatokha Alina - *Head of Pricing and Price Policy Committee of Nizhny Novgorod Administration*  
Chernyshov Leonid - *Head of Housing-Communal Sector Reform Department of Gosstro*  
Redyanova Natalia - *Gosstro*

Nov 27-30

The Fifth Regional  
Central and Eastern  
European Fundraising  
Training Conference  
Union of Bulgarian Foundations  
& Associations/ The International  
Fundraising Group- UK

Yelagina Yelena - *External Relations Officer, the IUE*

Dec 1-21

International Housing Program  
The University of Pennsylvania

Gofman, Dmitry - *Expert, the IUE*

Dec 2-9

International Public Finance  
Conference / The Center on  
Budget and Policy Priorities

Eigel Felix - *Expert, the IUE*

## 1998

July 6-10

Information Technologies  
Pannier Mae

Pastukhova, Natasha - *Project Manager, the IUE*  
Glinka, Igor - *Department Manager, the Agency for Housing Mortgage Lending*  
Yagolnik, Larisa - *Manager, the Agency for Housing Mortgage Lending*

# Executive structure of the Institute for Urban Economics

# 1998

## President

*Kosareva N.*

Tel.: 246-8656; 246-9193

## Management Board

*Kosareva N.*

*Puzanov A.*

*Suchkov A.*

## Executive Director

*Puzanov A.*

Tel.: 246-7960

## Financial and Administrative Director

*Golenkova G.*

Tel.: 247-1582

## External Relations Officer

*Yelagina E.*

Tel.: 246-9427

### MUNICIPAL ECONOMIC DEVELOPMENT AND SOCIAL POLICY

Director

*Puzanov A.*

Tel.: 246-7960

### REGIONAL HOUSING SECTOR REFORM

Director

*Sivaev S.*

Tel.: 245-3027

### URBAN REAL ESTATE REFORM

Registration of Real Estate Rights

*Rumiantsev I.*, Project Manager

Urban Legal Zoning

*Levinsieva T.*, Project manager

Land and Real Estate Market Development

*Khakhalin A.*, Project Manager

Tel.: 246-1043

### TARIFF POLICY AND COMMUNAL INFRASTRUCTURE

Manager

*Schegolev A.*

Tel.: 245-3616

### MUNICIPAL FINANCE AND FISCAL FEDERALISM

Director

*Novikov A.*

Tel.: 245-3957

### HOUSING FINANCE

Director

*Pastukhova N.*

Tel.: 245-0637

### REAL ESTATE FINANCE

Director

*Dovgyallo M.*

Tel.: 245-0336

### INFORMATIONAL AND PUBLISHING CENTER / LIBRARY

Director

*Dmitriev D.*

Tel.: 246-2174

### EA-RATINGS

forprofit company founded by IUE in 1997

Director

*Novikov A.*

Tel.: 245-3957

## IUE INSTITUTIONAL DEVELOPMENT: 1996-1999

IUE was established and registered as a non-profit, nongovernmental organization in 1995. Since its founding it has successfully diversified from its original focus of work on housing and communal services reform and has been able to increase its overall sustainability by developing new lines of work. It started work on several new projects: municipal economic development, social security at the municipal level, development of municipal passenger transport, economic mechanisms of urban environmental policy, non-governmental pension funds, and several other projects.

The Institute for Urban Economics (IUE) was a fast starter because it believed that it could only survive if it aggressively diversified its activities and client base from the initial project — a large housing and real estate reform project supported by the U.S. Agency for International Development (USAID). First and foremost IUE was motivated by both wanting to reduce dependency on its primary sponsor and to enter new fields. The following table provides some clear examples of the initiatives IUE understood in its move toward diversification:

Name of Initiative	Year	Description of Activity
Certified Mortgage Lender Courses	1996	Developed with the assistance of the Urban Institute the Federal National Mortgage Association of the USA (Fannie Mae), the courses are provided on a fee-basis Russian banks to provide training on mortgage international lending standards to bank personnel. successful completion of three rigorous courses, bank are presented with a "Certified Mortgage Lender" certificate.
Credit Rating Agency	1997	IUE created the first Russian independent, private, for-profit credit rating agency designed to provide and objective credit risk analysis in Russia and the summer of 1998, it was spun off as a wholly subsidiary (EA - Ratings) and shortly thereafter signed strategic affiliation agreement with Standard and
Municipal Economic Development	1998	A team within IUE provides consultancy services to middle-sized cities in the development of their development plans. The goal is to create an attractive environment and incentives to promote investment, a market, improved city management and municipal development.

Clearly one key element in determining the nature of the initiative is the initial activity base of the institution. IUE created its Certified Mortgage Lender courses from previous consulting



work with Russian banks, and the credit rating agency for local government bonds on the basis of a team already doing related municipal finance projects. The initiative on municipal economic development was developed out of a timely need for such services in Russia and a culmination of IUE's existing lines of work.

In short, IUE generally built on the positive reputation it had established for related activities and exploited the capabilities of existing staff in selecting an initiative. Building on strength is a common business strategy. But additionally for IUE, launching an initiative further afield from its core activities is prevented by the modest capital with which it can underwrite the start up costs of an initiative.

### **Staff development**

IUE's staffing policy is structured to form a long-term relationship with both the junior level researchers who are given excellent development opportunities and the senior staff comprised professional analyses and researchers. During its lifetime IUE has shown consistent ability to identify and recruit highly-skilled professionals in a multitude of fields. From 1996 to 1998, IUE doubled its professional staff from 20 to 42. By October 1999, IUE has 72 staff employees, including 42 experts engaged in development and implementation of research projects. Out of the total number of experts, 20 have a Ph.D. degree.

IUE specialists improve their professional abilities by participating in seminars, conferences, and educational programs in Russia and abroad. In all these events IUE professionals use opportunities to establish contacts with representatives of domestic and international urban community, including NGOs and think tanks. For example, only in 1999 IUE specialists participated in the international seminars and other training events in Cape Town (South Africa), Washington, DC, New York, Philadelphia, Ashtabula, Pittsburgh (USA), Budapest (Hungary), Hamburg (Germany).

Staff training, have been used by IUE as an important part of the overall success of the new ventures. For IUE the training in the credit rating initiative came from the classroom training provided by Standard and Poor's and by the IUE staff working directly with the S&P staff on "benchmarking" and other tasks.

### **Identifying and Launching Initiatives**

The most common pattern for the launch of an initiative was for the basic idea to come from the president or a staff member. The idea was then subjected to discussion among the staff



and a few people outside of the organization and usually with the Board of Trustees. If it was agreed upon as feasible, then the new line of work would be marketed by word of mouth and participation in seminars where this specific expertise could be demonstrated and promotional material distributed. In short, these are low-tech, often rather informal processes. Instinct has played at least as large a role as analysis in making the decision as to whether to proceed.

In the case of the credit rating agency, a formal business plan to test the feasibility of the initiative was prepared. IUE contracted for assistance in analyzing its initiative by hiring a management consulting firm to help with preparation of the business plan. IUE believes this was a good investment because the strong business plan was instrumental in inducing Standard and Poor's to sign a strategic affiliation agreement with the credit rating agency less than a year after the agency began operations.

Similarly, formal promotional efforts beyond seminar participation to launch a new initiative were exceptional. IUE has been more aggressive than most in explicitly marketing an initiative. For its credit rating initiative, for example, it sponsored presentations by the key staff person at numerous seminars within Russia, gave the activity prominence on its home page, produced a slick three-fold marketing brochure and distributed it widely at conferences, and sponsored a session at a major international conference in London on credit ratings in the countries of the Commonwealth of Independent States.

Other promotional efforts included devoting space in the Institute's newsletter and on the Institute's web site home page to the initiatives. Since most projects result in reports, these, too, were available to show new potential clients.

## Visibility

### Cooperation

- ✓ IUE is a member of the European Network for Housing Research (ENHR), International Union for Housing Finance, Society for International Development, Transition Policy Network, and an associated member of the European Foundation Centre.
- ✓ IUE productively collaborates with the RF Ministry of Construction, RF Ministry of Finance, RF Ministry of Economy, RF Ministry of Justice, RF Ministry of State Property, the State Duma and the Federation Council.
- ✓ IUE is involved in implementing joint projects with more than 30 subjects of the Russian Federation and 50 municipalities located both in the European part of Russia, Siberia and the Far East.
- ✓ IUE maintains contacts with Russian public organizations, including the Russian Guild of Realtors, Union of Russian Cities, the Association of Russian banks, the Appraisers' Society, and others.

- ✓ IUE maintains close ties with Russian research and educational centers:
  - Institute of Transitional Economy (Moscow),
  - Leontieff Center (St. Petersburg),
  - Economic Forecasting Institute of the Russian Academy of Sciences,
  - Institute of Housing and Communal Economy (Moscow), and others.
- ✓ IUE actively cooperates with Moscow and regional banks.
- ✓ IUE is an authorized consultant to the Agency for Housing Mortgage Lending.

#### *Internet site development*

In view of the growing importance of the Internet for the exchange of information, IUE opened in 1996, and regularly updates, a website ([http:// www.furbin.ru](http://www.furbin.ru)). On the web-site visitors can find information on IUE activities, models of normative documents issued by local self-governments, a list of guides and aids published by IUE, and other information. In September 1999 the number of Visitors to IUE's Website was 244 or about 8 unique visitors a day.

#### *External Relations*

A special position of *External Relations Officer* was established in IUE structure. This person is actively involved in dissemination of information about the IUE and its programs and maintaining databases of international and Russian NGOs, think tanks and donor organizations. She is generally responsible for:

- creation and maintenance of database on Russian and foreign organizations likely to be of interest for the IUE as supporters or partners;
- monitoring of NGO development and training opportunities in East Europe and NIS relevant for IUE development;
- identifying of NGO networks to which the IUE should belong;
- arrangement of the IUE participation in international and regional Russian seminars and conferences;
- development of fundraising plan;
- maintaining contact with perspective donor organizations and clients and arrangement of negotiations with them;
- assisting staff to develop draft proposals to specific funders.

As a result of her activities IUE has made new partners and clients and it continues to expand its visibility among potential domestic and foreign clients and donors' community.

#### **Main results**

The case of IUE illustrates that it is possible for think tanks in the former Soviet bloc to go beyond the traditional funding sources to sustain and expand their operations. The identification and analysis of potential opportunities was not overly demanding. Nor was the

set of actions needed to launch the activity. IUE reported remarkably few problems with management, institutional identification, or staff morale from adding the new, more commercially-oriented activities—probably in part because it is a young, flexible and dynamic organization. IUE is also searching for more opportunities to expand into new types of work areas.

IUE believes that its initiatives improved its reputation and/or visibility with certain local communities, especially the business community. IUE's Certified Mortgage Lender courses and the credit ratings initiative made the young institute visible to financial circles for the first time.

IUE was careful to build on existing strengths – the new starts were areas in which its existing competence and reputation gave a running start. Working in an area close to an existing competence increased its ability to judge the potential demand for a new service. It also minimized start up costs as staff could continue to work on the traditional tasks while the demand for the new services increased.

IUE is an entrepreneurial institution: it is doing its best to be a firm with a good market instinct, and which can realistically assess possibilities. IUE has also demonstrated the willingness to take the initiative when opportunity appeared.

Main results of IUE institutional development:

- ✓ broader range of activities
- ✓ geographical expansion
- ✓ new clients and partners
- ✓ Internet site development
- ✓ active networking and participation in creation new NGOs' network

## IUE Financial Activity Analysis

Analysis of the financial activities of IUE in 1996 reveals a clear revenue growth dynamics:

1996	1997	1998	First half of 1999
\$1,024,000	\$1,690,000	\$2,200,000	\$1,220,000

The funding sources include USAID funds, grants, commercial contracts with Russian and foreign partners. Greater portion is represented by USAID funds (85 percent in 1997, 76 percent in 1998, and 74 percent in 1999). However, if IUE and EARS activities were taken together, this indicator would be 64 percent for 1999. From 1996 to 1998 IUE was UI subcontractor under HSRP I and HSRP II projects. In October 1998 it concluded a Cooperative Agreement with the USAID for the period of up to September 2000.

Annual profit from IUE's activities amounted to 5-7 percent.

All profit was used in accordance with the goals, established in the IUE Charter. In particular, it was used towards establishing EA-Ratings –the first and leading independent private rating agency designated to provide independent professional credit risk assessment and information on credit ratings in Russia and CIS countries, as a successor of the Center for Credit Rating of Municipal and Regional Debt which operated in the IUE since January 1997 and received an institutional development loan in the amount of \$ 63,000.

The August 1998 crisis had a negative impact on the IUE's finances.

Prior to 1998, practically all IUE funds were kept in SBS-Agro. As a result of dramatic fall of the ruble in the wake of the August 1998 crisis and the freezing of bank operations and IUE suffered losses estimated as exceeding 50 percent of the balance of the accounts.

In addition, at the advice of the IUE Board from 1996 IUE invested into GKO to derive profit from temporarily uncommitted funds. In 1998 GKO's were brought for the amount of \$150,000. However, after the crisis payments on the GKO's were suspended; after restructuring, only 27 percent of the investment was recovered.

Therefore, total losses exceed \$ 170,000. In 1999 IUE managed to overcome the aftereffects of the crisis. In the first half of 1999 revenues reached \$ 1220,000; profit under commercial contracts - \$ 22,000. Starting with 1998, the principal trend in the financing structure has been increase in the volume of grants provided by donor organizations (Ford Foundation - \$ 139,000 for institutional development, and \$ 225,000 – for support for a study of the impact of unfunded federal mandate on regional and local government in Russia; Eurasia Foundation - \$ 57,000, and Soros Foundation - \$ 131,000 for municipal social economic development).

Among IUE Russian partners one should note the Agency for Housing Mortgage Lending, Economic Analysis Bureau, Gosstroif of Russia, FRP; among the foreign ones -the World Bank, and the Urban Institute. The volume of work financed by the World Bank through Russian PIU and directly equaled \$ 12,500 in 1996, \$ 59,000 in 1997, \$ 115,000 in 1998, and \$ 288,000 in 1999.

Forecasting development prospects for 2000, it should be noted that the existing contracts and grants support more than 50 percent of the revenue budget; in addition, 20-25 percent of the revenue budget will be provided by anticipated contracts with the World Bank, several Russian partners, Eurasia Foundation and

Soros (Open Society Institute) grants under municipal social development programs for which preliminary application has been produced and a positive opinion of the customer or grantor has been obtained.

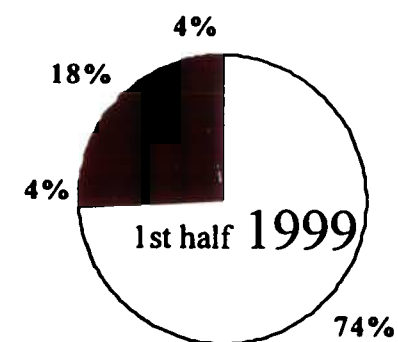
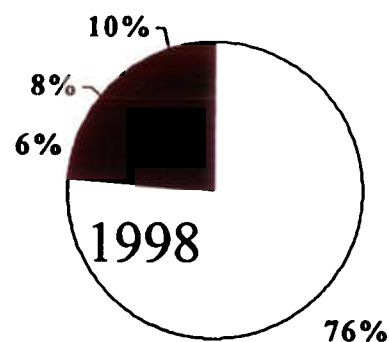
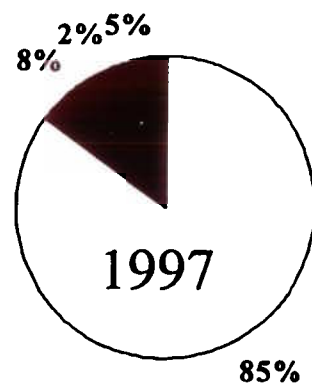
In addition, IUE is actively searching for additional sources of finance. This includes participation in the competition for «regional finance» project of the World Bank, proposals for the World Bank «Technical Assistance to Registration of Real Estate Rights», participation in USAID «Mortgage Lending Kazakhstan» and «Think Tank Development» projects.

According to our estimates, at this time the revenue budget is secured by financing at 70-75 percent.

In order to preserve the existing infrastructure, IUE needs a fairly stable source of finance in the amount of \$ 500,000 – 600,000. This will support development of already existing programs, as well as new topical projects.

The financial position of IUE is confirmed by annual KPMG audits since 1996.

## Structure of the IUE's Financing Sources



□ Contracts with USAID      ■ Contracts with Foreign partners  
■ Grants from Foreign Foundations      ■ Contracts with Russian partners

## SUGGESTIONS ON IUE CORE ACTIVITIES SUPPORT

Based on its previous activities IUE regards as core activities which are essential to its sustainable development and professional visibility as think tank the following ones: policy development at federal, regional and municipal level, monitoring activities, analytical research, public dissemination of results and professional education activities.

The permanent involvement of IUE staff in urban and housing policy development is essential for preserving the continuity of market-oriented principles of the reform in the current situation characterized by frequent rotation of high-level decision-making persons in the administration and election of new legislative bodies at the state, regional and municipal level. All these officials feel huge lack of high-quality analytical research before making policy decisions and also new ideas development.

That concerns IUE monitoring activity of reforms in different areas of urban economics, it could be really unique source of such information for policy makers, business community and the general public. The low level of official urban statistics, absence of professional analytical research based on such monitoring activity make this IUE activity quite critical for the reforms to go on.

Public dissemination of results is the core activity not only for the dissemination of concrete project results but also for making the policy decisions transparent for the general public, local and business communities and NGOs.

Dissemination of results would consist of series of seminars, brochures development and their publication. Under professional education component IUE would expand and intensify its activities on elaboration of training courses on different issues of urban economics, including development of manuals. Currently IUE runs 'Certified Mortgage Lender' training course, and a training course for managers of condominium associations. Also two IUE employees have Certified Property Manager Degree and participate in CPM courses as lecturers. IUE will also look for diversification of means of delivery of the courses including cooperation with new partners in Russia and abroad. IUE sees the ultimate goal in institutionalization of these activities (see «IUE – University proposal»).

The estimated annual need of funds for the above activities is as follows:

policy development	- \$100,000
monitoring	- \$ 100,000
analytical research	- \$ 50,000
results dissemination	- \$30,000
Professional education	- \$70,000
TOTAL	- \$350,000

The assessment totals \$350,000, which comprises 17% of IUE's annual revenue for 1998. The minimum term of financing core activities to ensure sustainability of results is 5 years.

IUE core activities could be supported in different forms but the following two options seem to be more realistic (least risky).

1. USAID places an investment (endowment) in the USA. IUE is allowed to use the annual interest to support its core activities following a special procedure. For funds management a top class manager is hired. (Option: decision on funds allocation are being made by special commission consisting of independent reviewers, funds managers and IUE representatives.)

2. USAID makes a loan to the Agency for Mortgage Lending (Russia) and transfers to IUE interest payments. Two things are critical under this option. It is USAID which invests money and bears the credit risk; risks under other options (i.e. IUE acts as investor) are exorbitant. It also should be the loan to the agency rather than investment in equity - in the latter case the return could be expected not earlier than on third year. Even under this condition this option is more risky than the first one because of general financial instability in Russia.

1998-1999  
1999-2000  
2000-2001  
2001-2002  
2002-2003  
2003-2004  
2004-2005  
2005-2006  
2006-2007  
2007-2008  
2008-2009  
2009-2010  
2010-2011  
2011-2012  
2012-2013  
2013-2014  
2014-2015  
2015-2016  
2016-2017  
2017-2018  
2018-2019  
2019-2020  
2020-2021  
2021-2022  
2022-2023  
2023-2024  
2024-2025  
2025-2026  
2026-2027  
2027-2028  
2028-2029  
2029-2030  
2030-2031  
2031-2032  
2032-2033  
2033-2034  
2034-2035  
2035-2036  
2036-2037  
2037-2038  
2038-2039  
2039-2040  
2040-2041  
2041-2042  
2042-2043  
2043-2044  
2044-2045  
2045-2046  
2046-2047  
2047-2048  
2048-2049  
2049-2050  
2050-2051  
2051-2052  
2052-2053  
2053-2054  
2054-2055  
2055-2056  
2056-2057  
2057-2058  
2058-2059  
2059-2060  
2060-2061  
2061-2062  
2062-2063  
2063-2064  
2064-2065  
2065-2066  
2066-2067  
2067-2068  
2068-2069  
2069-2070  
2070-2071  
2071-2072  
2072-2073  
2073-2074  
2074-2075  
2075-2076  
2076-2077  
2077-2078  
2078-2079  
2079-2080  
2080-2081  
2081-2082  
2082-2083  
2083-2084  
2084-2085  
2085-2086  
2086-2087  
2087-2088  
2088-2089  
2089-2090  
2090-2091  
2091-2092  
2092-2093  
2093-2094  
2094-2095  
2095-2096  
2096-2097  
2097-2098  
2098-2099  
2099-2100  
2100-2101  
2101-2102  
2102-2103  
2103-2104  
2104-2105  
2105-2106  
2106-2107  
2107-2108  
2108-2109  
2109-2110  
2110-2111  
2111-2112  
2112-2113  
2113-2114  
2114-2115  
2115-2116  
2116-2117  
2117-2118  
2118-2119  
2119-2120  
2120-2121  
2121-2122  
2122-2123  
2123-2124  
2124-2125  
2125-2126  
2126-2127  
2127-2128  
2128-2129  
2129-2130  
2130-2131  
2131-2132  
2132-2133  
2133-2134  
2134-2135  
2135-2136  
2136-2137  
2137-2138  
2138-2139  
2139-2140  
2140-2141  
2141-2142  
2142-2143  
2143-2144  
2144-2145  
2145-2146  
2146-2147  
2147-2148  
2148-2149  
2149-2150  
2150-2151  
2151-2152  
2152-2153  
2153-2154  
2154-2155  
2155-2156  
2156-2157  
2157-2158  
2158-2159  
2159-2160  
2160-2161  
2161-2162  
2162-2163  
2163-2164  
2164-2165  
2165-2166  
2166-2167  
2167-2168  
2168-2169  
2169-2170  
2170-2171  
2171-2172  
2172-2173  
2173-2174  
2174-2175  
2175-2176  
2176-2177  
2177-2178  
2178-2179  
2179-2180  
2180-2181  
2181-2182  
2182-2183  
2183-2184  
2184-2185  
2185-2186  
2186-2187  
2187-2188  
2188-2189  
2189-2190  
2190-2191  
2191-2192  
2192-2193  
2193-2194  
2194-2195  
2195-2196  
2196-2197  
2197-2198  
2198-2199  
2199-2200  
2200-2201  
2201-2202  
2202-2203  
2203-2204  
2204-2205  
2205-2206  
2206-2207  
2207-2208  
2208-2209  
2209-2210  
2210-2211  
2211-2212  
2212-2213  
2213-2214  
2214-2215  
2215-2216  
2216-2217  
2217-2218  
2218-2219  
2219-2220  
2220-2221  
2221-2222  
2222-2223  
2223-2224  
2224-2225  
2225-2226  
2226-2227  
2227-2228  
2228-2229  
2229-2230  
2230-2231  
2231-2232  
2232-2233  
2233-2234  
2234-2235  
2235-2236  
2236-2237  
2237-2238  
2238-2239  
2239-2240  
2240-2241  
2241-2242  
2242-2243  
2243-2244  
2244-2245  
2245-2246  
2246-2247  
2247-2248  
2248-2249  
2249-2250  
2250-2251  
2251-2252  
2252-2253  
2253-2254  
2254-2255  
2255-2256  
2256-2257  
2257-2258  
2258-2259  
2259-2260  
2260-2261  
2261-2262  
2262-2263  
2263-2264  
2264-2265  
2265-2266  
2266-2267  
2267-2268  
2268-2269  
2269-2270  
2270-2271  
2271-2272  
2272-2273  
2273-2274  
2274-2275  
2275-2276  
2276-2277  
2277-2278  
2278-2279  
2279-2280  
2280-2281  
2281-2282  
2282-2283  
2283-2284  
2284-2285  
2285-2286  
2286-2287  
2287-2288  
2288-2289  
2289-2290  
2290-2291  
2291-2292  
2292-2293  
2293-2294  
2294-2295  
2295-2296  
2296-2297  
2297-2298  
2298-2299  
2299-2300  
2300-2301  
2301-2302  
2302-2303  
2303-2304  
2304-2305  
2305-2306  
2306-2307  
2307-2308  
2308-2309  
2309-2310  
2310-2311  
2311-2312  
2312-2313  
2313-2314  
2314-2315  
2315-2316  
2316-2317  
2317-2318  
2318-2319  
2319-2320  
2320-2321  
2321-2322  
2322-2323  
2323-2324  
2324-2325  
2325-2326  
2326-2327  
2327-2328  
2328-2329  
2329-2330  
2330-2331  
2331-2332  
2332-2333  
2333-2334  
2334-2335  
2335-2336  
2336-2337  
2337-2338  
2338-2339  
2339-2340  
2340-2341  
2341-2342  
2342-2343  
2343-2344  
2344-2345  
2345-2346  
2346-2347  
2347-2348  
2348-2349  
2349-2350  
2350-2351  
2351-2352  
2352-2353  
2353-2354  
2354-2355  
2355-2356  
2356-2357  
2357-2358  
2358-2359  
2359-2360  
2360-2361  
2361-2362  
2362-2363  
2363-2364  
2364-2365  
2365-2366  
2366-2367  
2367-2368  
2368-2369  
2369-2370  
2370-2371  
2371-2372  
2372-2373  
2373-2374  
2374-2375  
2375-2376  
2376-2377  
2377-2378  
2378-2379  
2379-2380  
2380-2381  
2381-2382  
2382-2383  
2383-2384  
2384-2385  
2385-2386  
2386-2387  
2387-2388  
2388-2389  
2389-2390  
2390-2391  
2391-2392  
2392-2393  
2393-2394  
2394-2395  
2395-2396  
2396-2397  
2397-2398  
2398-2399  
2399-2400  
2400-2401  
2401-2402  
2402-2403  
2403-2404  
2404-2405  
2405-2406  
2406-2407  
2407-2408  
2408-2409  
2409-2410  
2410-2411  
2411-2412  
2412-2413  
2413-2414  
2414-2415  
2415-2416  
2416-2417  
2417-2418  
2418-2419  
2419-2420  
2420-2421  
2421-2422  
2422-2423  
2423-2424  
2424-2425  
2425-2426  
2426-2427  
2427-2428  
2428-2429  
2429-2430  
2430-2431  
2431-2432  
2432-2433  
2433-2434  
2434-2435  
2435-2436  
2436-2437  
2437-2438  
2438-2439  
2439-2440  
2440-2441  
2441-2442  
2442-2443  
2443-2444  
2444-2445  
2445-2446  
2446-2447  
2447-2448  
2448-2449  
2449-2450  
2450-2451  
2451-2452  
2452-2453  
2453-2454  
2454-2455  
2455-2456  
2456-2457  
2457-2458  
2458-2459  
2459-2460  
2460-2461  
2461-2462  
2462-2463  
2463-2464  
2464-2465  
2465-2466  
2466-2467  
2467-2468  
2468-2469  
2469-2470  
2470-2471  
2471-2472  
2472-2473  
2473-2474  
2474-2475  
2475-2476  
2476-2477  
2477-2478  
2478-2479  
2479-2480  
2480-2481  
2481-2482  
2482-2483  
2483-2484  
2484-2485  
2485-2486  
2486-2487  
2487-2488  
2488-2489  
2489-2490  
2490-2491  
2491-2492  
2492-2493  
2493-2494  
2494-2495  
2495-2496  
2496-2497  
2497-2498  
2498-2499  
2499-2500  
2500-2501  
2501-2502  
2502-2503  
2503-2504  
2504-2505  
2505-2506  
2506-2507  
2507-2508  
2508-2509  
2509-2510  
2510-2511  
2511-2512  
2512-2513  
2513-2514  
2514-2515  
2515-2516  
2516-2517  
2517-2518  
2518-2519  
2519-2520  
2520-2521  
2521-2522  
2522-2523  
2523-2524  
2524-2525  
2525-2526  
2526-2527  
2527-2528  
2528-2529  
2529-2530  
2530-2531  
2531-2532  
2532-2533  
2533-2534  
2534-2535  
2535-2536  
2536-2537  
2537-2538  
2538-2539  
2539-2540  
2540-2541  
2541-2542  
2542-2543  
2543-2544  
2544-2545  
2545-2546  
2546-2547  
2547-2548  
2548-2549  
2549-2550  
2550-2551  
2551-2552  
2552-2553  
2553-2554  
2554-2555  
2555-2556  
2556-2557  
2557-2558  
2558-2559  
2559-2560  
2560-2561  
2561-2562  
2562-2563  
2563-2564  
2564-2565  
2565-2566  
2566-2567  
2567-2568  
2568-2569  
2569-2570  
2570-2571  
2571-2572  
2572-2573  
2573-2574  
2574-2575  
2575-2576  
2576-2577  
2577-2578  
2578-2579  
2579-2580  
2580-2581  
2581-2582  
2582-2583  
2583-2584  
2584-2585  
2585-2586  
2586-2587  
2587-2588  
2588-2589  
2589-2590  
2590-2591  
2591-2592  
2592-2593  
2593-2594  
2594-2595  
2595-2596  
2596-2597  
2597-2598  
2598-2599  
2599-2600  
2600-2601  
2601-2602  
2602-2603  
2603-2604  
2604-2605  
2605-2606  
2606-2607  
2607-2608  
2608-2609  
2609-2610  
2610-2611  
2611-2612  
2612-2613  
2613-2614  
2614-2615  
2615-2616  
2616-2617  
2617-2618  
2618-2619  
2619-2620  
2620-2621  
2621-2622  
2622-2623  
2623-2624  
2624-2625  
2625-2626  
2626-2627  
2627-2628  
2628-2629  
2629-2630  
2630-2631  
2631-2632  
2632-2633  
2633-2634  
2634-2635  
2635-2636  
2636-2637  
2637-2638  
2638-2639  
2639-2640  
2640-2641  
2641-2642  
2642-2643  
2643-2644  
2644-2645  
2645-2646  
2646-2647  
2647-2648  
2648-2649  
2649-2650  
2650-2651  
2651-2652  
2652-2653  
2653-2654  
2654-2655  
2655-2656  
2656-2657  
2657-2658  
2658-2659  
2659-2660  
2660-2661  
2661-2662  
2662-2663  
2663-2664  
2664-2665  
2665-2666  
2666-2667  
2667-2668  
2668-2669  
2669-2670  
2670-2671  
2671-2672  
2672-2673  
2673-2674  
2674-2675  
2675-2676  
2676-2677  
2677-2678  
2678-2679  
2679-2680  
2680-2681  
2681-2682  
2682-2683  
2683-2684  
2684-2685  
2685-2686  
2686-2687  
2687-2688  
2688-2689  
2689-2690  
2690-2691  
2691-2692  
2692-2693  
2693-2694  
2694-2695  
2695-2696  
2696-2697  
2697-2698  
2698-2699  
2699-2700  
2700-2701  
2701-2702  
2702-2703  
2703-2704  
2704-2705  
2705-2706  
2706-2707  
2707-2708  
2708-2709  
2709-2710  
2710-2711  
2711-2712  
2712-2713  
2713-2714  
2714-2715  
2715-2716  
2716-2717  
2717-2718  
2718-2719  
2719-2720  
2720-2721  
2721-2722  
2722-2723  
2723-2724  
2724-2725  
2725-2726  
2726-2727  
2727-2728  
2728-2729  
2729-2730  
2730-2731  
2731-2732  
2732-2733  
2733-2734  
2734-2735  
2735-2736  
2736-2737  
2737-2738  
2738-2739  
2739-2740  
2740-2741  
2741-2742  
2742-2743  
2743-2744  
2744-2745  
2745-2746  
2746-2747  
2747-2748  
2748-2749  
2749-2750  
2750-2751  
2751-2752  
2752-2753  
2753-2754  
2754-2755  
2755-2756  
2756-2757  
2757-2758  
2758-2759  
2759-2760  
2760-2761  
2761-2762  
2762-2763  
2763-2764  
2764-2765  
2765-2766  
2766-2767  
2767-2768  
2768-2769  
2769-2770  
2770-2771  
2771-2772  
2772-2773  
2773-2774  
2774-2775  
2775-2776  
2776-2777  
2777-2778  
2778-2779  
2779-2780  
2780-2781  
2781-2782  
2782-2783  
2783-2784  
2784-2785  
2785-2786  
2786-2787  
2787-2788  
2788-2789  
2789-2790  
2790-2791  
2791-2792  
2792-2793  
2793-2794  
2794-2795  
2795-2796  
2796-2797  
2797-2798  
2798-2799  
2799-2800  
2800-2801  
2801-2802  
2802-2803  
2803-2804  
2804-2805  
2805-2806  
2806-2807  
2807-2808  
2808-2809  
2809-2810  
2810-2811  
2811-2812  
2812-2813  
2813-2814  
2814-2815  
2815-2816  
2816-2817  
2817-2818  
2818-2819  
2819-2820  
2820-2821  
2821-2822  
2822-2823  
2823-2824  
2824-2825  
2825-2826  
2826-2827  
2827-2828  
2828-2829  
2829-2830  
2830-2831  
2831-2832  
2832-2833  
2833-2834  
2834-2835  
2835-2836  
2836-2837  
2837-2838  
2838-2839  
2839-2840  
2840-2841  
2841-2842  
2842-2843  
2843-2844  
2844-2845  
2845-2846  
2846-2847  
2847-2848  
2848-2849  
2849-2850  
2850-2851  
2851-2852  
2852-2853  
2853-2854  
2854-2855  
2855-2856  
2856-2857  
2857-2858  
2858-2859  
2859-2860  
2860-2861  
2861-2862  
2862-2863  
2863-2864  
2864-2865  
2865-2866  
2866-2867  
2867-2868  
2868-2869  
2869-2870  
2870-2871  
2871-2872  
2872-2873  
2873-2874  
2874-2875  
2875-2876  
2876-2877  
2877-2878  
2878-2879  
2879-2880  
2880-2881  
2881-2882  
2882-2883  
2883-2884  
2884-2885  
2885-2886  
2886-2887  
2887-2888  
2888-2889  
2889-2890  
2890-2891  
2891-2892  
2892-2893  
2893-2894  
2894-2895  
2895-2896  
2896-2897  
2897-2898  
2898-2899  
2899-2900  
2900-2901  
2901-2902  
2902-2903  
2903-2904  
2904-2905  
2905-2906  
2906-2907  
2907-2908  
2908-2909  
2909-2910  
2910-2911  
2911-2912  
2912-2913  
2913-2914  
2914-2915  
2915-2916  
2916-2917  
2917-2918  
2918-2919  
2919-2920  
2920-2921  
2921-2922  
2922-2923  
2923-2924  
2924-2925  
2925-2926  
2926-2927  
2927-2928  
2928-2929  
2929-2930  
2930-2931  
2931-2932  
2932-2933  
2933-2934  
2934-2935  
2935-2936  
2936-2937  
2937-2938  
2938-2939  
2939-2940  
2940-2941  
2941-2942  
2942-2943  
2943-2944  
2944-2945  
2945-2946  
2946-2947  
2947-2948  
2948-2949  
2949-2950  
2950-2951  
2951-2952  
2952-2953  
2953-2954  
2954-2955  
2955-2956  
2956-2957  
2957-2958  
2958-2959  
2959-2960  
2960-2961  
2961-2962  
2962-2963  
2963-2964  
2964-2965  
2965-2966  
2966-2967  
2967-2968  
2968-2969  
2969-2970  
2970-2971  
2971-2972  
2972-2973  
2973-2974  
2974-2975  
2975-2976  
2976-2977  
2977-2978  
2978-2979  
2979-2980  
2980-2981  
2981-2982  
2982-2983  
2983-2984  
2984-2985  
2985-2986  
2986-2987  
2987-2988  
2988-2989  
2989-2990  
2990-2991  
2991-2992  
2992-2993  
2993-2994  
2994-2995  
2995-2996  
2996-2997  
2997-2998  
2998-2999  
2999-3000  
3000-3001  
3001-3002  
3002-3003  
3003-3004  
3004-3005  
3005-3006  
3006-3007  
3007-3008  
3008-3009  
3009-3010  
3010-3011  
3011-3012  
3012-3013  
3013-3014  
3014-3015  
3015-3016  
3016-3017  
3017-3018  
3018-3019  
3019-3020  
3020-3021  
3021-3022  
3022-3023  
3023-3024  
3024-3025  
3025-3026  
3026-3027  
3027-3028  
3028-3029  
3029-3030  
3030-3031  
3031-3032  
3032-3033  
3033-3034  
3034-3035  
3035-3036  
3036-3037  
3037-3038  
3038-3039  
3039-3040  
3040-3041  
3041-3042  
3042-3043  
3043-3044  
3044-3045  
3045-3046  
3046-3047  
3047-3048  
3048-3049  
3049-3050  
3050-3051  
3051-3052  
3052-3053  
3053-3054  
3054-3055  
3055-3056  
3056-3057  
3057-3058  
3058-3059  
3059-3060  
3060-3061  
3061-3062  
3062-3063  
3063-3064  
3064-3065  
3065-3066  
3066-3067  
3067-3068  
3068-3069  
3069-3070  
3070-3071  
3071-3072  
3072-3073  
3073-3074  
3074-3075  
3075-3076  
3076-3077  
3077-3078  
3078-3079  
3079-3080  
3080-3081  
3081-3082  
3082-3083  
3083-3084  
3084-3085  
3085-3086  
308



## IUE- UNIVERSITY

### (Brief description of proposal)

#### Rational

Problems of Russian current economic transformation are being well perceived and discussed. It is becoming obvious that most of these problems are directly or indirectly related to urban environment and or derived from it. Recently Russian government has recognized publicly that housing and utility economy being heavily subsidized serves as one of the major impediments of economic reform in Russia where 75% of population live in urban areas and at least 4% of GDP fall on subsidies to housing and utilities.

Meanwhile, until now the specific activities in Russian urban economy such as housing finance, utilities, infrastructure, urban planning, zoning, municipal economic development either did not exist at all (such as zoning, or mortgage finance) or have been heavily centralized (infrastructure finance) and poorly managed. Professionals who are to be responsible for dealing with such issues are not properly trained and often resisting to accept new urban economic approach. This makes the system of urban management in many Russian cities non-transparent and non-efficient.

The quality of human capital becomes a number one priority for further attempts to foster urban economics reform in Russia. A traditional approach of technical assistance to municipalities and consulting could solve a number of practical issues but it is not capable to create enough human capital – high profile professionals in urban economics – to make the urban reform in Russia consistent and well managed.

Russian universities and higher education institutions do not provide courses on urban economics or its branches. Architectural, economics and geography institutions give some elements of it but often in a very reduced format, with out-of-date information and old-fashioned urban philosophy. Even more important is the absence of urban economics textbooks and professional urban economic literature in Russia except very narrow circle of publications, created with sponsorship of international donor organizations.

However, a demand for urban economics as a professional activity and academic discipline is already obvious and soon the supply of urban economics know-how could become urgent.

### IUE as a proposed project implementation unit for IUE- University Project

IUE – is unique institution In Russia developing such a profession and know-how in compliance with modern theory and practice.

IUE experience covers a wide spectrum of topics from housing policy and housing and municipal finance to municipal economic development.

IUE has 40 professionals in staff, producing about 20 publications a year (however, the circulation is still very modest)

IUE staff works in more than 80 cities across Russia and CIS; most of IUE professionals have successfully passed training courses or study tours in western countries, predominantly in USA.

IUE is licensed for education services and for publication; most of IUE analysts are experienced trainers providing professional education for municipal officials; IUE presentation formats are highly professional and fully fit internationally recognized standards.

IUE professional and academic links and connections will help to support the project.

Stages of the project	Time
-----------------------	------

1/ <i>Textbooks preparation.</i>	1st year
----------------------------------	----------

This stage will involve time of IUE leading analysts to prepare a number of university-textbooks on Urban Economics, then to discuss, edit and test them. It is expected that textbooks will be prepared in cooperation with one of the USA universities. This would allow to reflect international experience and latest achievements in urban economic research. One of the outcomes of this cooperation could be preparation of the special textbook on urban issues in transition economics for the western audience. If positive results are achieved the cooperation may continue during later stages of the project;

2/ <i>Training courses for trainers</i>	2nd year
---	----------

Using prepared textbooks, IUE leading analysts and trainers will provide academic trainers and professors with urban economics know-how.

**3/ Introduction of the pilot IUE-University unit.**  
**3rd year**

At this stage, an existing Russian University or College based in Moscow, should be chosen to start a pilot Urban Economics Department and pilot courses on urban economics.

**4/ The spread of results.**  
**4th year**

Introduction of the Urban Economics package to Russian Universities and Colleges (to at least three of them – St. Petersburg, Samara, and Khabarovsk).

**Costs**

<b>Total</b>	<b>\$3,0 mln</b>
<b>1 stage</b>	<b>\$1.0 mln</b>
<b>2 stage</b>	<b>\$0,5 mln</b>
<b>3 stage</b>	<b>\$1.0 mln</b>
<b>4 stage</b>	<b>\$0.5 mln</b>

## Annex L

### Success Stories

There are many individual success stories associated with HSRP. Substantial praise was received from individual government and private sector officials. However, rather than cite anecdotal indications of success, evaluators believe that HSRP's significant contribution can best be expressed by describing major impacts achieved by HSRP.

**1) Pervasive Impact In Establishing A Legislative Framework For Housing and Urban Development.** The Chairman of the Federation Committee on Construction stated repeatedly that HSRP had a major and positive impact on housing and urban development legislation. He indicated that HSRP had significant influence in the passage of 160 legislative acts, presidential decrees and resolutions that provided the legal framework housing and urban development reforms in Russia. If HSRP accomplished nothing more than this impressive legislative agenda, the project would have been an extraordinary success. In addition, HSRP worked with many *oblasts* and municipalities to prepare local legislation to implement this broad framework. Through HSRP, Russia was assisted to enact the legal base to transform the housing and urban development sectors into a more free market system.

**2) The Institute for Urban Economics Has Become the Major Russian Technical Resource in Housing and Urban Development.** With creation of the IUE, under HSRP, USAID has institutionalized its assistance program in housing and urban development. The exceptional reputation of IUE is indicative of its substantial and continuing contribution to the conceptualization and practice of free market reforms in housing. The experience and quality of its staff are an unmatched technical resource in Russia. Standard & Poor's, the major U.S. credit rating agency, said about IUE: "IUE is a non-governmental and non-profit entity, which, since its creation in 1995, has quickly gained a strong reputation as a research and consulting think tank...focusing on issues of public policy, and urban and regional economics." Since 1995, IUE has assumed an ever-increasing role in the conduct and products of HSRP and has demonstrated its ability to admirably continue the excellence established by the U.S.'s Urban Institute in HSRP. IUE now has its own project under USAID, after conclusion of HSRP, and has demonstrated its quality by being sought after by other international donors and foundations to perform research, technical assistance and education in Russia.

**3) E-A Ratings Provides Credit Rating Services for Municipalities and Other Private and Public Entities.** Standard & Poor's (S&P), the U.S. premier credit rating service, has designated E-A Ratings as its local affiliate for joint credit rating activities in Russia. S&P states, "E-A Ratings...is the first and leading Russian independent, private credit rating company designed to provide professional and objective credit risk information in Russia and the CIS countries." E-A Ratings is a subsidiary of IUE. E-A Ratings emerged from technical assistance work provided under HSRP for municipalities to assist them in structuring municipal bonds to finance infrastructure. E-A Ratings had over US \$500,000 in revenues from credit rating work in 1998, its first year of

operations. Its affiliation with S&P will assure its place as the major domestic credit rating service in Russia.

**4) HSRP Provided the Conceptual and Legislative Framework for Housing Allowances in Russia, Which Paved the Way for Acceptance of Rent Reform.** The importance of housing allowances in gaining public acceptance for rent reforms is readily evident. Housing allowances provided a social safety net for low-income households to protect them from rapid rent increases under rent reform. Without that measure, there would have been public outcries against such an ambitious program to achieve reforms. HSRP introduced the concept of housing allowances and provided the legislative framework for its implementation. Housing allowances have now been instituted nationwide, covering 8% of the population. HSRP assistance was essential to the success of housing allowances and rent reform.

**5) Introduction of Mortgage Lending in Russia.** HSRP can be credited with institutionalizing mortgage lending in Russia. Prior to 1992, there was no mortgage lending in Russia. Less desirable formats for housing loans had emerged, but there were problems for consumers with these loan structures. HSRP introduced legislation and developed a framework for international standards in mortgage origination and administration for adoption by banks. HSRP conceived the Agency for Mortgage Lending, a secondary mortgage market entity designed to provide liquidity for banks to encourage mortgage lending and to promote sound banking practices in mortgage lending. HSRP also implemented the Certified Mortgage Lender course to provide a continuing education resource to improve bank technical capabilities in mortgage lending. HSRP provided technical assistance to over 30 banks to institute international standards in mortgage lending and disseminated information to banks nationwide. Through HSRP, mortgage lending has been accepted as the norm for housing and will be the predominant form of lending activity in the housing sector.

**6) Introduction of the Condominium Form of Ownership.** Prior to HSRP, there was no private sector legal structure for unit owners to own the common areas and assume responsibility for management of multi-family housing. HSRP introduced legislation to provide the legal framework for homeowner associations and condominiums. HSRP also assisted municipalities to adopt local implementing legislation for this national framework. Over 3,000 condominiums have now been established in Russia, and it is becoming the legal structure for much of the new multi-family housing being constructed in Russia. HSRP provided the legal basis and technical knowledge to allow transfer of State ownership to private individuals for multi-family housing, and this contributed significantly toward the transformation of the housing sector to a free market system.